Wednesday October 8 1986

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#### World news

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### Italians ready for row over prisoners

itself for accusations of compromis-itself for accusations of compromis-ing its anti-terrorism policy by swapping three Libyan prisoners for four Italian citizens jailed in Libya during the last six years. The Italian Foreign Ministry, whose spokesmen were consistent-by manyitable all day issued a

whose sponesmen were consistently unavailable all day, issued a statement saying that the swan was motivated by "humanitarian" reasons, and offered no further expla-

A spokesman for the Libyan Peo-ples Bureau in Rome said that the exchange was part of the "new cli-mate" in Italo-Libyan relations.

#### Kharg 'damaged'

An Iraqi air raid caused heavy damage to an already-battered main jet-ty at Iran's Kharg Island oil terminal, putting Iranian crude exports under added pressure, shipping sources in the region said.

#### Cyprus assurance

Pakistan has given Greece an as-surance that it will not recognise the secessionist Turkish Cypriot "state" in the Turkish-occupied nor-thern sector of Cyprus, Karalos Papoulias, Greek Foreign Minister, said, Page 2

Austrian sanctions Austria will take economic sanctions against South Africa in line with those taken by the EEC, chan-cellor Franz Vranitzky said.

#### Gaza attack

An Israeli taxl driver, Yisrael Gitano; was stabled to death in an apparent Arab guerrilla attack in occupied Gaza, a military spokesman said.

DM 20005 (DM 19906); SFr 1.6290 (SFr 1.6200); FFr 6.5200 (FFr 6.5200) and Y154.10 (Y154.05). On Bank of England figures the dollars index rose to 109.5 from 109.2. Page 33 STERLING closed in New York at Treason charge

Treason charge

Three Ugandan cabinet ministers

\$1.4340, It fell in Lundon to close at

\$1.4340, It fell in Lundon to close at

\$1.4325 (\$1.4390). It also fell to

and 17 other people were charged

with treason in the Kampala chief. 2.6650 (DM 2.6825) and SFr 2.3325

magistrate's court.

SFr 2.3300). It was unchanged at

FFr 2.3425. The pounds exchange
rate index rose 0.1 to 68.1. Page 33

### Two leading members of Nigeria's Armed Forces Ruling Council have been replaced President Ibrahim

Beirut killing A masked gunmen on a motorcycle shot dead Sheikh Subhi al-Saleh, a

Babangida announced. Page 3

Sunni Moslem religious scholar, in a crowded Beirut street and fellow clergymen called for a general strike in protest. Page 3

#### Mozambique warned

South African Defence Minister Megnus Maian issued a warning to Mozambique after six of his soldiers were injured in a landmine explosion near the border between the two countries. Page 3

#### Pope accused Czechoslovak Communist Party

daily Rude Pravo accused the Pope of stifling free expression within the Catholic Church and attacked what it called the Vatican's "inflexible and categorical attitude to birth control, abortion and divorce.

#### Swedish shuffle

Swedish Premier Ingvar Carlsson is planning a Cabinet shuffle and the creation of a ministry of the environment and energy. Page 2

#### Injunction sought

British Foreign Office is to seek a High Court injunction to prevent the New Statesman magazine publishing extracts from the valedicto-ry dispatch of Sir James Craig, for-mer British Ambassador to Saudi Arabia. Page 20

#### French lamb war

French farmers have attacked trucks carrying British, Dutch and Belgian live sheep, and lamb cares, in violent protests over the

#### Business summary

### **IBM** launches 'mini' mainframe

IBM, largest US computer manufacturer, introduced an important addition to its range of office computers with the launch of a mini version of its mainframe computer

TOKYO blue chip stocks were in de-mand taking the Nikkei Dow market average up 169.03 to 17,884.36.

LONDON shares benefited from de velopment at the Opec meeting in Geneva. The FT Ordinary index added 6.1 to 1,257.3. Page 40 WALL STREET: The Dow Jones in-

All Ordinaries

AUSTRALIAN stocks registered

their fourth consecutive daily peak

DOLLAR closes in New York at DM2.0015; SFr 1.6500; FFr 6.5575; and Y154.25. It rose in London

GOLD fell \$0.25 to \$437.5 on the

London bullion market. It also fell

in Zurich to \$437.50 from \$437.57.

STEEL: Installed capacity of Bra-

zil's steel industry, at present about 20m tormes of crude steel, could

years if the Brazilian economy con-tinues to grow at present rates, president of Siderbras, Brazilian

state-owned steelmaker said.

EEC is to seek consultations under the General Agreement on Tariffs

and Trade on the US-Japanese

agreement on semi-conductor prices and sales reached at the end

Banca d'Italia, Italy's central bank, in a confidential report. Page 21

TRELLEBORG, Swedish rubber

products group; reported a strong increase in profits and has revised upwards its forecasts for the whole

DENMARK'S Prime Minister Poul

Schlitter launched measures to add-

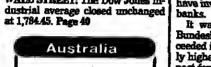
tinued strong gains in the Ottaway

year. Page 21

account deficit, Page 2

Page 32

18.6 at 1,329.4. Page 40



There were doubts in the foreign growth rate of 4% per cent.

There were doubts in the foreign growth rate of 4% per cent.

The sterling M3 figure was below estimates in the London money markets which had ranged from 2 to 4 per cent, and was at first taken do not be a second of the dolor. days or weeks, and some of the dol- as a signal that the Government pressure for higher rates remained have early gains were lost in later would succeed in averting a rise in In foreign exchanges markets the

One European official said that the concerted action, which brought in small central banks such as the Bunk of Ireland as well as the Irel desbank and Swiss National Bank, tember to £900m (\$1.3hn), compared involved the purchase of "hundreds to the £2bn or so typical of the earli-

BY BAYMOND SNODDY IN LONDON

states have reached a political

agreement on who will have the

four new national television chan-

man Länder (states) have agreed that two channels will go to the ex-isting German public service broad-

casters ARD and ZDF and two to new commercial television entre-

# concerted action to support dollar

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

EUROPEAN central banks intervened jointly yesterday to support the dollar, while in London prospects for sterling and for UK interest rates remained uncertain despite news of slower-than-expected

growth in the money supply.

The intervention, the first concerted action since the transatiantic disagreement over interest and ex-change rates at last week's meetings of the International Monetary Fund in Washington, is thought to have involved seven or eight central

of millions of dollars."

pounds and for dollars. There was cy - sterling M3 would have grown no indication, however, that the US at a faster pace.

The general view was that while the intervention, a factor which the Government would seek to reweakened its impact.

. The pound initially registered strong gains in the wake of the dollar's rise but came under renewed pressure after the publication in the afternoon of money supply data for

September.
The Bank of England said that sterling M3, the broad money supply measure, grew by an estimated 1% to 1% per cent in the four weeks to September 17, reducing its annual matter than 1814 was cent from It was led by West Germany's to September 17, reducing its annu-Bundeshank and initially suc al growth rate to 18% per cent from ceeded in pushing the dollar sharply higher, reversing the slide of the past few days.

Bundesnank and initially saw as grown rane to law per cent in August. Mo, the narrow money supply measure, rose by about % per cent, giving an annual

bank base rates to defend sterling. In particular, the markets were

of millions of dollars."

The Bank of England is thought to have co-operated in the action and to have supported sterling at the same time by selling small deficit last month - which increased amounts of D-Marks both for overseas holdings of the UK curren-

W. Germany closer to

WEST GERMANY has taken a the main sticking points in previous have no doubt a solution has been

large step towards launching En-rope's first DBS (direct broadcast-if they cannot all agree, the north Mr Arnhim said that the German

ing by satellite) service. After three years of disagreements the prime channel and a group of south German states will ellocate one settellite was scheduled to be on the channel and a group of south German states the other.

Seven applicants have already

The political agreement, which now has to be drawn up as a state two channels already being transtreaty, clears the way for a possible mitted on cable systems in West launch of the TV-Sat satellite next launch of German publishers and RIL Plus, a German publishers, and RIL Plus, a German publishers, and RIL Plus, a German system. Eurosatellite is talking to system. Eurosatellite is talking to

new commercial television entre-preneurs. The ministers have and aerospace companies which Mr Arnhim refused to reveal the agreed a formula for the allocation manufactured the French and Ger-price he is offering the British DBS

come forward wanting to launch craft, TV-Sat and the French TDF-I, for a total of DM 520m (\$250m), in-

Mr Rolf Arnhim, managing director of Eurosatellite, the consortium chise to the Independent Broadcast-

May launch of DBS

The general view was that while sist a base rate rise during this week's Conservative Party conference, it remained uncertain whether such a move could be

avoided indefinitely. Sterling M3 is still growing much faster than the 11 to 15 per cent target set by the Government in the budget. "Domestic credit expansion is still very rapid. The figures do not do anything to detract from fears that base rates will have to rise in the near future." Mr George Magnus of Chase Manhattan Securities commended.

Mr Andrew Smith, senior economist at London stockbrockers Alexanders Laing & Cruickshank, said he expected the Government to hold out against higher borrowing costs if it could, but underlying In foreign exchanges markets the view that the Treasury wants to hold rates at least until next week and continuing uncertainties over the outcome of the Organisation of Petroleum Exporting Countries' meeting in Geneva resulted in a reversal of the pound's early gains.

The sterling index closed in Lon-don at 68.1, above the 68.0 recorded on Monday Background, Page 29; Editorial comment, Page 18; Money markets, Page 33

### Bundesbank leads Reagan ready for arms talks 'after Iceland'

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

ready to have negotiations aimed at reaching an arms control agree-ment some time after next weekend's pre-summit meeting in Ice-land with Mr Mikhail Gorbachev, the Soviet leader but he is not seeking final agreements at the Reykja-vik talks, Mr George Schultz, US Secretary of State, said yesterday. Briefing reporters ahead of the meeting, Mr Shultz said: Wa are not trying to reach a final agreement on something, we are trying to formulate propositions that will be of maximum assistance and direction to our negotiators so that they, as the people who are spend-ing their time on the details, scope and subtlety of the subjects, can

and subtlety of the subjects, can advance towards agreement.\*

Asked if Mr Reagan was going to Reykjavik with new proposals and ready to negotiate, Mr Shultz said the US was already putting forward interesting proposals at the arms talks but that "in a broad sense any meeting like this is a negotiation." meeting like this is a negotiation." He added, however, that he would not expect Mr Reagan and Mr Gorbachev personally to "get down to the nuts and bolts of the issues." Mr Reagan will be entering into the talks with his personal populari-ty a little below the peaks recorded by opinion polls in the past, but at levels that are among the highest ever recorded by a president six

years into his term. A New York Times/CBS news poll taken at the end of September and published yesterday shows Mr Reagan with a 63 per cent approval

BY QUENTIN PEEL IN BRUSSELS

The move calling for urgent con-sultations with both parties to the anti-dumping deal has been ap-proved by officials of the 12 EEC

PRESIDENT Ronald Reagan is this poll was 68 per cent recorded

vember.
There are also clear signs that Washington does not want to make the task he faces more difficult. There was a muted reaction yesterday to the shooting down over Nicaragua of a rebel supply aircraft manned, the Administration main tained, by American civilians. Congress is also seeking a compromise on legislation which the White House said would tie Mr Reagan's

hands at the bargaining table.

Mr Shultz yesterday emphasised the breadth of the agenda for the Reykjavik meeting citing regional and human rights issues first before saying that arms control issues would be "addressed at consider-able length." He said that the issue

strategic arms talks is to blunt what it sees as the threat from the US

The Soviet Union's emphasis on ending nuclear testing is seen as an element of this effort since nuclear explosions are an essential ingredient in the development of some potential SDI components.

Background to aircraft shooting,
Page 4; Weinberger in China,
Page 3

### **UK Tories** pledge continuing state sell-offs

By Peter Riddell, Political Editor, in Bournemouth

PRIVATISATION of UK state business worth £4.75on (\$6.80m) a year will continue this year and for the next two years, the Conservative Government said yesterday.

Mr Norman Lamont, the Finanstressed that the Government had a full programme of privatisation for the next parliament after the gen-eral election to be held by mid-1968, when we shall continue to privatise the remaining state enterprises including the water authorities."
This reaffirmation of the future sale of the water industry follows the postponement of legislation earlier this summer.

would be addressed at considerable length. He said that the issue of medium range missiles in Europe was an area generally recognised as being closest to being resolved but added "(that) does not mean it will be a piece of caka."

On the US Strategic Defence Initiative Mr Shultz said: "It is absolutely essential for the US to pursue SDL." One of the principal objectives of the Soviet Union in the strategic arms talks is to blum what Mr Lamont, speaking at the an

privatisation proceeds amounted to £8bn since 1979. He said that by the end of next year 600,000 workers would have moved from the public to the private sector and the state sector of industry would have been reduced by over two-fifths.

His speech was part of the con-certed programme to show that the Government's approach would con-tinue into the next parliament.

Speaking at a later fringe meeting to the free market Selsdon Group, Mr Nicholas Ridley, the Environment Secretary, foreshadowed the announcement today of legislation to require local authorities to offer for tender certain services such as refuse collection, street cleansing, building cleaning, catering, vehicle maintenance and ground maintanance Mr Ridley noted that council

spending in these areas alone was over £2.5bn a year so that even modest percentage savings would yield significant cash savings.

the US-Japanese agreement on that the action would begin this trade in semi conductor chips week starling what is nevitably a through the formal procedures of lengthy negotiating process on posthe General Agreement on Tariffs sible trade damage according to the and Trade (Gatt) in Geneva.

Gatt procedures. The key announcement was of the establishment of 20 city technoltions with both Japanese and US government officials last week on the consequences of the pact, which areas. They will be outside local authority control and are intended to increase the range and quality of technical and scientific education especially in the run-down inner ities. The Government hopes to intro-

duce legislation after the general election to remove rent controls on Continued on Page 20 Conference report, Page 13

EEC to challenge

US-Japan chip pact

THE EEC will this week challenge Commission confirmed last night

agreement between the US and Ja-

member states in Brussels after seeks to regulate semiconductor abortive contracts by the European prices between Japan and the US commission with Tokyo and Washand extend the system to cover chips exported to third countries, including the EEC. ington.

The Commission is also starting

action under the anti-dumping code of the Gatt to seek protection from possible side-effects of the bilateral The deal agreed on the last day of

A senior official of the European

July was swiftly condemned in Brussels by Mr Willy De Clercq, the

EEC Trade Commissioner, and Mr

Continued on Page 20

The Commission had consulta-

ng the EEC.

#### of the two "private" channels, one of man satellites, said yesterday: "I applicants FARRIQUE Nationale Herstal, Bel gian small arms and aeronautics manufacturer, announced a BFr BankAm and USX shares jump 1bn (\$24.2m) programme of streamlining and cost-cutting in the wake of a damaging strike last March. following bids worth \$10.8bn BANCA NAZIONALE del Lavoro, Italy's largest bank, has been criti-cised for weak management by

and BankAmerica Corporation offers in US corporate history foljumped sharply on Wall Street yesterday following bold bids for two of
the best known pillars of the US
business establishment, valuing their asset values.

ress the country's most pressing economic problem, its large current DOW JONES and Company, which publishes the Wall Street Journal, lifted third-quarter earnings by 19 per cent from \$27m to \$33.1m. The company attributed the rise to concommunity newspaper unit and its information services group. Reve-nues advanced from \$250m to

THE SHARES of USX Corporation day of two of the biggest takeover

to diversify out of its deficit-ridden USX, the Pittsburgh-based energy steel operations into the energy sec-and steel company, rose by \$1% to tor have been undermined by the \$27% in response to an offer of \$31 a collapse in oil and gas prices. The two old line companies are being challenged by a pair of ambitious financiers. Mr Icahn, aged 50, the 81-year-old chief executive of

prices jumped in heavy trading yes-terday, there was considerable scepticism on Wall Street that eith-er deal would be consummated. First Interestate's offer is considtrue value and First Interstate's own share price, the key to the all-paper deal, fell yesterday by \$2 to \$52%, reflecting investor uncertainty about the proposed deal.

Despite Mr Icalm's success a

It is widely felt that he is more likely to force up USX's share price and then sell his 9.8 per cent stake at a handsome profit rather than take on the company's deep seated

Bank of America hid details,

rocket resumes its flights after its recent technical problems.

Eurosatellite has built two so

four of the five consortia to have

# BY RODERICK ORAM AND WILLIAM HALL IN NEW YORK

them at \$8bn and \$2.8bn respective

share from Mr Carl leahn, one of the most feared corporate raiders. Similarly, the shares of BankAmerica Corporation, parent of the fi- has made a fortune by buying and nancially troubled second largest selling stakes in dozens of under-US bank, rose by \$2% to \$15% after valued companies. Mr Joe Pinola, the surprise bid worth about \$18 a share from First Interstate Bank- First Interstate, has long cherished corp. a rival Californian bank, a dream of winning control of his which is less than half the size of its former employer to construct a target.

West Coast banking empire.

The announcement late on Mon- Although both companies' share

BankAmerica has been hit by so-aring loan losses and USX's efforts

turning round TWA, the big transat lantic airline, he remains dogged by his reputation as a "greenmaller."

USX and background, Page 19;





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"Swindon Enterprise".

#### CONTENTS





- Editorial comment: UK finance; US elections .... 18 Jaguar: in the fast but Why Carl Icahn bid for USX ..... 19 Plea for caution on nuclear Lex: USX; Sears; UK money

· ·	
itorial comment	Greece: bi
robends	opposition .
nuncial Futures	Israel: infl
tern Capital Markets 24 tters 19	growth pain
x	US aircraft
rket Monitors	Nicaragua.
oney Markets	Managemer
- Wall Street 37, 49	learns from
- London 34-37, 40	Technology:
it Trusts	icon cobbics

	-
Greece: biggest test for opposition 2	f
Israel: inflation tamed as growth pains linger 3	
US aircraft shot down over Nicaragua 4	
Management: Pechiney learns from US unit 8	I
Technology: angelic N. Amer-	Ŧ

However,

last three years

has consistently sought better

relations with Libya over the

Of the four freed Italians, attention was focused largely on two Paduans, Mr Edoardo Selicieto and Mr Bruno Castalli

BY JOHN WYLES IN ROME

THE ITALIAN Government was bracing itself yesterday for Andreotti, the Foreign Minister, accusations that it is compromising its anti-terrorism policy by swapping three Libyan prisoners for four Italian citizens jailed in Libya during the last six years. The Italian Foreign Ministry, whose spokesmen were consistently unavailable all day, issued a stetement saying thet the swap was motivated by "bumanitarian reasons" and "bumanitarian reasons" and Egyptian border when they offered no further explanation. were arrested and charged with A spokesman for the Libyan treasonable offences. Their A spokesman for the Libyan relations between our two sides of the Libyan relations which was beginning to develop following the crisis caused by the shelling earlier this year of the Italian island Lampedusa.

"We are very satisfied with this move which undoubtedly testifies to an improvement in relations between our two results of the sentences were communited to life imprisonment after Italian protests.

Repeated diplomatic attempts to secure their freedom ran up against Colonel Gadaffi's determination that there must be a trade. The three Libyans were all members of Colonel Gadaffi's hit squads and were imprisoned for long sentences between 1980 and 1985 after ectual or

relations between our two and 1985 after ectual or countries."

Given the recent wave of Libyan exiles, terrorist bombing in Europe, The exchan Given the recent wave of Libyan exies, terrorist bombing in Europe, The exchange was only particularly France, and Italy's completed in the early hours of stated opposition to dealing yesterday morning after the with terrorists, the swep is Italian prisoners had arrived in bound to cause some puzzle-ment in other European the Libyans were then flown capitals.

Britain urges EEC to

declare war on drugs

clare war on illegal use of drugs misuse; and yesterday and proposed its own bat-

le plan, AP reports from Stras-

bourg.
Discussing the topic with the European Parliament in Strasbourg, Mr David Mellor, Britain's Minister

of State at the Home Office, said:

egainst drugs is not an option, it's a

Speaking as President of the EEC Council of Ministers, Mr Mellor said that while heroin and amphet-

amines were the main concern in Western Europe, "cocsine hangs over us like the sword of Damo-

He said the seizure of cocaine in

Spain and West Germany during the first half of 1986 surpassed heroin seizures for the first time. "The

cocaine avalanche of which our

American friends warned us may

Mr Mellor told the 518-member

next informal meeting of

• Strict border controls at the

Enactment of common laws im-

posing harsh penalties on drug traf-fickers and providing for the sei-

have begun," he declared.

EEC interior ministers.

Britain's plan calls for:

EEC's external frontiers:

Swedish Prime Minister, is re-shuffling the Government and plans to establish a new Minis-try of the Environment end Energy.

Some eight months after

In the Government declara-tion to Parliament yesterday Mr Carlsson promised "re-straint" would be the key note of the 1987-88 budget to be pre-sented in January.

Increased costs in Government

The Prime Minister called for the week-long strike in the public aector to be settled as soon as possible, but he announced no new initiatives to settle the dispute in which around 800,000 of the country's 1.5m public sector workers are now taking or threatening some form of industrial ection.

In the Cabinet response Mrs Birgitta Dahl is to heed the new Environment and Energy Minis-THE BRITISH Government urged which hard drugs originate to those the European Community to de- countries efforts to combat drug Drawing a common strategy to reduce demand for drugs and to im-prove rehabilitation treatment of Mr Mellor outlined Britain's

more lenient approach. According to the socialist group, the Parliament's largest, e crack-down on drug traffickers and users will create more criminals and will, moves to EEC legislature that his Government's action plan would be dis-

cussed in London on October 20, at We cannot win the war on ish Labour Party MEP, said in the debate. Trying to mount a moral crusade against certain drugs to show we mean business, simply with more repression, is not the way forward," she said.

The socialists asked for further fickers and providing for the seizure of their assets:

The creation of en EEC drugs task force with liaison offices in all member countries and elsewhere;

Linking EEC drugs studies on the possibility of decriminalising drug use and possession. They said an EEC drug policy must include all mind-altering substances, including alcohol and medicine.

#### Linking EEC aid to countries in Police await protest over nuclear plant start-up

BY DAVID MARSH IN BONN

WEST GERMAN police in the northern state of Schleswig Holstein were last night preparing to repulse anti-nuclear demonstrations ahead of the expected start-up of the mnch-contested atomic power plant et Brokdorf on the Eibe.

The operating utility, government-controlled Preussen Elektra, yesterday would not give details of the start-up phase of the power plant, but the build-up to full operation was expected to hegin either yesterday or today.

#### Carlsson reshuffles **Swedish Cabinet**

MR INGVAR CARLSSON, the

Some eight months after taking office following the assassination of Mr Olof Palme at the end of February. Mr Carlsson is making his first important Cahinet changes. They will take effect well ahead of the next Swedish general election due in September 1988.

In the Covernment declara-

"The task of restoring the public finences to a sound stete must be continued. Increased expenditure due to reform proposals in certain high priority areas will be financed by savings in others."

agencies and utilities would he met by rationalisation and Mr Carlsson promised further efforts to reform and simplify the Swedish tax system.

on Energy is currently conducting a new analysis of the safety aspects of nuclear power in the wake of the Chernobyl eccident and it is studying the possibility of phesing out nuclear power before the year 2010. Mr Mellor outlined Britain's strategy during the EEC Parliament's debate on its own proposal for joint European action against drug trafficking and use.

The Parliament's report, drawn up by e special committee after e year-long study, took a similar hard-line approach to combat drug abuse. Its draft resolution incorporates most of the proposals of the British Government.

However, the recommendations ran into stiff opposition from leftwing deputies who argued for emore lenient approach.

# **Denmark**

By Hilary Barnes in Copenhagen MR POUL SCHLUTER, Denmark's Prime Minister, yester-day launched what has been duhbed bere as "the potato panacea" for the country's most pressing economic prob-

lem, its large current account The main logredients in the Government's measures, pre-sented et the re-opening of the Folketing (parliament) after the summer recess, are savings incentives and penalties for consumer borrowing.

Energy taxes, last chenged in April, will also be adjusted to April, will also be adjusted to bring the price to consumers to the level of April 1985, before oil prices began to fall. The measures heve been called the potato panacea because they coincide with the one-week October school bolidey which in earlier days released children to help with the notate children to belp with the potato harvest.

on the Eibe.

Brokdorf, for 12 years a symholic railying point for German anti-nuclear protests, has become a central theme in the during the summer pending fierce debate over atomic power further security checks after during the running the runn during the run-up to January's the Soviet reactor disaster at mum repayment period limited general elections. MAJORITY OF MEMBERS FAVOUR EXTENDING PRESENT DEAL ON OUTPUT

### Opec may continue with interim pact

On the second day of the minister culties in reaching any agreement rial conference here yesterday only on criteria for a system replacing Kuwait and, to a lesser extent, Sauthe one on proportionate shares di Arabia, appeared to be holding which was somewhat arbitrarily out for finalisation of agreement on, reached in March 1982. a new formula for setting quotas a new formula for setting quotas under whatever limit the 13 member states agree demand can justify, without jeopardising the recovery in price levels.

Mr Rikwamu Lukman, Nigerian accept a smaller one", commented one veteran delegate, emphasising the obstacles facing a new deal.

Minister of Oil and current President of Opec said after the morning session: "If we have to continue the existing arrangement and it is our to thank Iraq's disruption of Iranian perception that it is the best thing to maintain market stability and firm up prices, we are not going to be afraid of making that decision." He was less than categorical about the chances of Opec seeking more time to make up its differ-ences but the general drift of the meeting seemed to be in that direc-

the Organisation of Petroleum Ex- just over two months ago is re- to provide any information to the porting Countries is in favour of extending the current interim agreestong one. The accord has been inment on limiting and sharing outstrumental in raising prices by put under a ceiling of about 16.8m nearly a half, covering only Septembarrels a day until the end of the per an October. It is based on a A ratified-looking Dr Mana Said realistic appreciation of the diffi-

"In practice everyone wants a

Last month's Opec managed to confine collective output to more or less 16.8m b/d. For that it had much exports through its attacks on shipping and export terminals. From that point of view, the best news yesterday, for all except Iran, was what appears to have been an effective Iraqi air strike against Kharg

sterday inevitably focused upon The argument in favour of an ex- member states. In particular, the

A rattled-looking Dr Mana Said al Otalba, UAE Minister of Petroeum, was very much in the dock but was able to produce an assur-ance from President Zayed of the UAE and Ruler of Abu Dhabi, that it would henceforth observe its quo-ta of 950,000 b/d, which was ex-ceeded by as much as 350,000 b/d last month.

The refusal of Dubai, the second most important member of the union, to recognise any Opec obliga-tions made other delegations sceptical about the chances of a renewed UAE commitment being fulfilled.

There was also an angry alterca-tion between Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil, and Sen Arturo Hernandez Grisanti, Venezuelan chief delegate, over the Latin American state's sales from stocks amounting to about 130,000 b/d over and above what it would have had available for export after satisfying local demand and observ-

A SUBSTANTIAL majority within tension of the accord reached here United Arab Emirates even failed have given an assurance that the practice would cease. Figures submitted to the monitoring unit in Vienna show also that Ecuador ran down inventories at a rate of about 78,000 b/d and Libya by 68,000 b/d.

most vociferous in threatening to open production valves and return to the "price war" if other members do not abide by their commitments. Moreover, Sheikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil, also said on Monday that a new deal on quotas was "absolutely essential." But the Saudi position emed yesterday to be more flexible than that of Kuwait.

Tactics employed by these two producers are likely to be critical to the outcome of the meeting. Iran, having been responsible for the compromise, making possible an encouraging restoration of oil price levels, will also be very anxious to dictate the outcome of this meeting. It quite clearly believes that the 12 members party to the August 4 ac-cord limiting their output to 148m b/d (with Iraq exempted) will also be desperately anxious to dictate

today or Thursday morning followmittees charged with drawing up recommendations relating to production quotes and price objectives. One, composed of experts from each member country, is looking in-

to both key issues and yesterday started appraising proposals made by various member states. Its recommendations will be submitted to two ministerial committees. One is chaired by Mr Lukman, assisted by the chief delegates of Indonesia and the UAE which will

deal with quota redistribution, a contentious subject which the poor and more populous members will insist takes into account demogra-The other, headed by Sheikh Ali Khalifa together with the Libyan and Ecuadorian ministers has been

given responsibility for pricing poli-cy. At least on this question there is general consensus of achieving a rate of \$17-\$19 per barrel by the end of the year.
Other delegations will be allowed

to attend meetings of both ministe-rial committees if they want. But if satisfying local demand and observing its quota.

The next full ministerial session on a new sharing system they could is not expected to begin until late be here until Cristmas.

Pakistan in

### Trade barrier battle loses momentum

BY TIM DICKSON IN LUXEMBOURG

level of domestic

EEC internal market ministers demonstrated yesterday wby the drive to dismantle trade barriers within Europe eppears to be losing momentum.

More than 75 of the 106 items timetabled for decision this year have yet to be agreed and officials in Brussels are trying desperately to inject new urgency into the political delate.

Agreement yesterday was edmittedly reached quickly on a now five-year-old proposal to harmonise the information provided for consumers on that noise level of domestic and contractions and noise level of domestic and contractions and the inventors of such drugs of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the inventors of such drugs of the council, was confident to the metalty much more of such drugs at the end of yesterday's sestion that a compromise of 10 years and 6 years respectively national veto that should be national veto that should be national veto that should be not allowed over the authorisation of a drug for the whole Community.

The debate reflected a split as West Germany, France and meeting that there had been meeting that there had been "little movement" by national recknology drugs and 7 years for high technology and other tection of 10 years for high technology and other technology drugs and 7 years widening the internal market for these drugs.

EEC internal market meeting drug before imitators can legit the inventors can legit the metalty before imitators can legit the metalty before into the market match the inv

Relief at Unesco chief's move

THE DECISION of Mr Amadou Mahtar M'Bow, the directorgeneral of Unesco, not to seek third term at the head of the agency next year was greeted yesterday with relief by delegates of both western and even several developing countries.

Many members states, including non-aligned countries, had become increasingly concerned that Mr M'Bow would seek a third mandate next autumn plunging the troubled UN agency for education, science and culture into a further crisis.

After the departure of the US and the UK from the organisa
tion, several other Western also in private at least expressed doubts over electing Mr M'Bow to a third term.

His departure is expected to ease the crisis at Unesco and that they would oppose the relection of Mr M'Bow at the for a return of the US and the UK to the agency. The US and the UK to the agency. The US and the UK to the agency as antidirector-general claimed to the mismanagement of the participation.

After the departure of the US and the UK from the organisa
and culture into a further crisis.

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His departure is expected to ease the crisis at Unesco and that they would oppose the reference of the US and the UK to the agency. The US and the UK to the agency as antifor the past 12 years.

Although the Countries had doubts over electing Mr M'Bow to a third they would oppose the reference of the US and the UK to the agency as antitical the universal countries had doubts over electing Mr M'Bow to a third they would oppose the reference of the US and the UK to the agency as antitical

ducts within the EEC, thus for others, and those such as range of concerns over public widening the internal market Denmark, Greece, Portugal and health, tha protection of innovation, and the demand for the cheapest possible medinovever, centred on the period Mr. Alan Clark, Britain's

### **Portuguese** under fire over grain

CHANCES HAVE increased of proceedings by the EEC Commission against Portugal in the European Tribunal following the Govern-ment's refusal to keep the state-run grain monopoly, EPAC, out of bids for part of the country's sizeable grain imports.

The Commission lodged a formal note of protest and requested satisfactory explanations after private grain traders complained to Brussels that the Government was disregarding Portugal's treaty of accession to the EEC which requires that state trading monopolies be dis-banded and that in 1986, 20 per cent

of grain imports be released for bids by private traders. Contrary to expectations, EPAC entered and won two of the first three tenders this year, when 470,000 tonnes of grain should, in principle, have been available only to bidding by private traders. Portugal has until 1990 to libera-lise grain imports by 20 per cent a year until private traders and e

smaller EPAC can compete on equal terms.

Failure to comply with the first stage of liberalisation, which requires a gradual switch to Euro-pean supplies away from US im-ports that have dominated the Por-

tuguese market, has put Portugal into Brussels' bad books. The Portuguese claim that there is no formal stipulation barring EP-The Portuguese claim that there is no formal stipulation barring EP-AC from bids for "liberalised" grain Repter reports from Belgrade.

#### assurance on Cyprus PAKISTAN HAS assured

Greece that it will not recognise the secessionist Turkish Cypriot "state" in the Turkish-occupied northern sector of Cyprus, Mr Karalos Papoulias, the Greek Foreign Minister, said yester-

day.

Mr Papoulias said et a press
conference that he had been
given the assurance by his
Pakistani counterpart during a bilateral meeting in New York last month on the sidelines of the UN General Assembly, writes Andriana Ierodaconon in

The Turkish Cyprlot minority community unilaterally declared the northern third of Cyprus, which has been under Turkish military occupation since 1974, an independent state three years

ago.

Recognition has so far come

Athens and only from Turkey. Athens and Nicosie feared however that Pakistan, which has close rela-tions with Turkey, might with time also extend recognition.

Warning on summit

The US will dwell on several anti-Soviet themes et the Reyk-lavik summit in Iceland, the Soviet news agency Tass said yesterday in a report of e speech by President Reagan warning people not to be too optimistic, writes Patrick Cock-

burn in Moscow.
"The President made clear that the US intends to dwell on current anti-Soviet themes and is not going to renounce its interference in the effairs of Afghanistan and other sovereign states," Tass said.

N-weapon query

Finnish parliamenterians heve sinnish parliamenterians heve asked the Foreign Ministry for e statement on whether e US ship which visited Helsinki carried nuclear weapons despite Finland's insistence that the area should remain free of them, Reuter reports from Helsinki.

They called for the stetement after e motion from Communist members, officials said. The destroyer USS Thorn has just ended a visit here.

Yugoslav price fear Yugoslavs are bracing for another hig increase in the price of petrol, the second in less than

Swiss inflation falls

The annual inflation rate in Switzerland fell to 0.6 per cent last month from 0.7 per cent in August, the Government announced yesterday, AP, writes from Bern.

US steel group

law. The two groups which are under the protection of the bankruptcy courts are LTV and Wheeling Pittshurgh.

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### Spanish right-wingers quit party

of four members of his Popular Alliance party.

The four dissidents, who refused to eppear before a disciplinary committee and who instead told Mr Fraga they were crossing over to the "mixed group" benches of minority opposition parties, include Mr Jorge Verstrynge, e long-time protègé of Mr Fraga and secre
headed by Mr Fraga kept all hut one of fits previous 106 seats in the Sto-member Congress. Since then, with the withdrawal from party, aiming to enlist more then, with the withdrawal from party, aiming to enlist more unembers of Popular Alliance and to attract support from voters who were put off by Mr Fraga's authoritarian image. Their criticisms focus on Mr Fraga, a doubt how long Mr Fraga, a doubt how long Mr Fraga, a former Franco minister, will had been the four defectors are expected to try to form a new party, aiming to enlist more unembers of Popular Alliance and to attract support from voters who were put off by Mr Fraga's authoritarian image. Their criticisms focus on Mr Fraga's decision to call for abstencion in the Nato referendum in March, and his high-handed running of the party.

Among these dections are expected to try to form a new party, aiming to enlist more unembers of Popular Alliance and to attract support from voters who were put off by Mr Fraga's decision to call for abstence of minority of party.

MR MANUEL FRAGA, the himself, who clearly saw it as a veteran leader of Spain's rightwing opposition, has seen his
parliamentary support disintegrate further with the defections
of four members of his Popular
Alliance party.

In the general election in the defection in the defections of four members of his Popular
alliance party.

In the general election in the defection in th

To make things worse, the

protègé of Mr Fraga and secretary-general of the party until last month.

Mr Verstrynge was sacked after putting up Mr Fraga's name for mayor of Madrid, without permission from Mr Fraga problem.

Somer Franco minister, will handed running of the party.

Among those who have joined the mini exodus from Popular Alliance, one of the party's diners, is reported to have youth leaders in Valencia, said in the decome more like a fan club for Mr Fraga than a politics.

imports: they do not, therefore, in-tend to be rushed into changes.

In yesterday's edition, the Financial Times mistakenly suggested that USX, the US steel and energy group, was one shifted mainly to the two opposition communist parties—the higher echelons of the party small Eurocommunist KKES and the larger pro-Moscow KKE.

The fact that these elections are not due until the comfortably distant date of June 1889, her 1985.

He failed, and since then the are reserving their positions in higher echelons of the party of the second round. Most the second round. Most observers however find it formation of Democratic Renewal, a new splinter party of voters supporting a righ twing transition of the two major steelmakers that the comfortably distant date of June 1889, her 1985.

FINANCIAL TIMES

Andriana Ierodiaconou in Athens explains why Sunday's local elections may deliver some national political messages

### Ailing opposition faces biggest challenge in Greek poll

"VOTE FOR your own good, prise for voters of all political and that of the area you come Nothing else," say Socialist Party posters lining committed Socialists, who have been subjected not just to an the main avenues of Athens economic U-turn but also to a committed Socialists, who have been subjected not just to an economic U-turn but also to a before Sunday's municipal elec- conservative shift in foreign tions for mayors and city policy, including an undisguised councils around the country. Bebind this somewhat plain. US.

ment's tactical decision to play within Pasok, a split in the down the elections as much as Socialist trade union movement, possible. The Socialists are and expulsions of dissidents anxious to avoid a surrogate from the party.

dreou's Panhelienic Socialist state-controlled television and Movement (Pasok) a triumphant 46 per cent of the vote cial channels.

persuasions. The past year has been particularly traumatic for committed Socialists, who have effort to mend fences with the

tive admonition lies the Covern-by rumblings of discontent

referendum on their policies since they won the June 1985 general election.

On that occasion, lured by the slogan "For even hetter days" and anxious to hiock a returu to power of the right, Greeks gave Dr'Andréas Pepandreou's Panhelienic Socialist from the party.

Not surprisingly therefore, the Government has done its best to stop the municipal elections delivering a political message, hy urging voters to base their choice on local issues alone and by ensuring that the campaign is virtually ignored by state-controlled television and

To some extent this policy bas





wing challenger to Mr Dimitris Beis, mayor of the capital pean Parliamentary elections in Piraeus, Salonika and aPtras, If

1984 and general elections again no mayoral candidate secures an absolute majority in the first round, the two leading conphant 46 per cent of the vote and a record four-year term.

To some extent this policy bas There is little doubt bowever that political conclusions will be that political conclusions will be drawn from the municipal vote a five years of seemingly non-stop around nounced that Greece was in for a period of economic austerity to avert a foreign debt crisis, an unwelcome sur-

ATHENS BATTLE: Mr Militiades Evert (left), the right-

programme. He will also ha able to give Washington tha "yes or no" answer it is expected to seek by the summer of 1987 on the elections.
future of the four US military
bases in Greece. The present Mitsotakis's leadership is being

ably distant date of June 1989, means however that Dr Papandreou's room for manoenvre will not be immediately candidate for Athens, Mr hampered by an adverse result, allowing him to complete the new crisis on the right 10 days are when he accused Mr ago when he accused Mr Mitsotakis of trying to persuade him to abandon the electoral race on the epromise of e parliatwo-year economic austerity mentary seat in the next

bases in Greece. The present agreement on their operation expires at the end of 1988.

The municipal elections could prove decisive for the New Democracy MP and former Democracy Party, Greece's largest opposition group, and its leader, Mr Constantine ampaign for the city of Mitsotakis. Mr Mitsotakis was elected as party chief two years ago, not so much because he Should there be a run-off Should there be a run-off will beye gone to Mr Mitsotakis,

Mr Evert'e strategy does not

depend absolutely on gaining the mayor's seat. The general essumption is that he will feel strong enough to mount his challenge against Mr Mitsotakis if he can do better than New Democracy's June 1985 Athens result of 44 per cent, particularly if conservative candidates elsewhere display indifferent elsewbere display indifferent

If no conservative candidete does well then Mr Mitsotakis's future in the leadership will again he in leopardy, but this time the challenger is likaly to be former Prime Minister Mr George Rallis. If conservative candidates do

under his leadership. As one Athenian put it, "it's all exciting stuff. But I bave a feeling its not going to do much for my daily traffic jam."







### Nigerian leader replaces two in ruling council

TWO LEADING members of the Islamic Conference,

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the move, but the development comes at a critical stage in Nigeria's efforts to implement an economic recovery pro-gramme which includes a con-

fund which would allow it to draw SDR 650m in support of the proramme.

Although the Government has said it does not intend to take

to o successful rescheduling of the country's estimated \$19bn (£13.2bn) external debt.

General Babangida said his number two, Commodore Ebitu Ukiwe, had been relieved of his post. Rear Admiral Augustus Aikhomu, the previous navy chief, has replaced him. Mr Etim Inyang, the Commissioner of Police, and a ruling council "auction" for available hard member, was retiring at his own request, the president said.

The medium and long-term commercial bank deht.

Repayments of principal on the deht have been frozen since April 1. Nigerian officials hope the signing of the letter of intent, and what was in effect a 66 per cent devaluation of the naira following the recent introduction of eweekly member, was retiring at his own request, the president said.

General Babangida did not say Reuter adds: Trains were at a whether his deputy would be standstill in Nigeria yesterday

Nigeria's Armed Forces Ruling highly sensitive issue in a Council have been replaced, country where an estimated President Ibrahim Babangida has announced.

No explanation was given for Christian or animist.

Tha Government's decision to join the conference came as a surprise and Nigerians first learnt of it from a foreign gramme which includes a connews agency. Mr Ukiwe initially troversial agreemant with the International Monetary Fund.

Last month the Government bod been taken without full consultation of the Council.

Meanwhile, senior Nigerian efficials are due to meet a steering committee of commercial banks in London today for the loan, an agreement with the fund has been e precondition to o successful rescheduling of the country's standard and long-term \$7hn medium and long-term commercial bank deht.

whether his deputy would be standstill in Nigeria yesterday given another job. as more than 30,000 railwaygiven another job.

as more than 30,000 railway
Last year Mr Ukiwo was ot men continued a strike over the centre of a controversy unpaid salaries, said the over Nigeria's membership of Nigerian Railway Corporation.

### to meet military officials

senior Chinese military officials with a military hardware cataduring a visit that overlaps with loguo on his last visit in 1983. Sino-Soviet nogotiatious on the normalisation of relations between the countries.

US officials are hoping agreement on a port call by US warships will be finalised during the visit. A ship visit scheduled for early last year was canscelled after Peking said it had a guarantee from Washington that the warships would not carry nuclear weapons. Washington maintained it never gave such guarantees.

#### **Israel** in talks with Jordan

By Andrew Whitley in Jerusalem MR SHIMON PERES, the mk Shimon Parkes, the outgoing Israeli Prime Minister, said yesterday that indirect negotiations were under way with Jordan, to prepare for fully-fiedged peace talks. And he warned that the coalition government could break up ever the disputed issue of territorial compromise with Jardan.

The Labour Alignment leader was making his valedictory speech to the Knesset before handing in his resignation on Friday, Mr Yitzhak Shamir, the

Likud leader, is due to take over the premiership next Tuesday under the terms of the coalition rotation agree-The Prime Minister said the rime minister said the negetiations with Jordan were being conducted through the enspices of the US. Going further than any pre-

vious Israeli leader be de-clared that the 1979 Camp David accord on autonomy in the occupied territories was a draft for a Palestinian In a direct challenge to the Likud, Mr Peres defended his advocacy of an international forum for Middle East peace negotiations, serving notice that he intends to pursue this avenue when he takes over from Mr Shamir as Foreign Minister next week.

#### **Hundreds 'killed** in Bangladesh'

GOVERNMENT FORCES in Rangladesh have killed or tortured hundreds of unarmed tribal villagers in a remote part of the country during the past 16 years, Amnesty Inter-national said yesterday.

In a report the human rights movement cited detailed accounts of torture dethied accounts of tortare and killings of villagers in the Chittagong Hill Tracts in south-east Rangladesh. It said there had been a marked increase in such human rights violations between February and May this year.

Uganda charges THREE Ugandan cabinet ministers and 17 other people were charged with treason yesterday in connection with an alleged plot to overthrow Reuter reports from Kampala.

### Peres tames inflation but growth pains linger THE Prime Minister's office in Jerusalam's Kiryat Ben Gurion neighbourhood is flanked on one side by the Bank of Israel, on the other by the Treasury. Of tha two, the blue and white Bank of Israel building is much the more impressive. ISRAELI INFLATION the more impressive. The proximity of the two financial pillars to the centre of power has clearly affected Mr Shimon Peres, now in his last 300 hours as Prime Minister—so much so that the Labour leader much so that the Labour leader strongly contemplated swapping the foreign portfolio he is due to take over next week from Mr Yitzhak Shamir, the Likud leader, for the Finance Ministry. For an Israeli politician, Mr Peres has paid an unusual degree of attention to the economy over the past two years. Industrialists described him as having been 'outstanding' in this respect; and certainly his achievements in solving the country's serious economic troubles have been impressive.

To retain his say, and to provide Labour with an effective inflation has settled down to an vete over the Likud's octlens in future, Mr Peres has proposed setting up a high level economic growth committee, to be chaired by himself. Net surprisingly, Likud is resisting this idea strenuously.

much to be concerned about. Inflation has settled down to an annual rate of around 15 per cent in 1984), the foreign exchange resorves are a comfortable \$3.5bn and the public sector's current account deficit bas heen virtually eliminated.

As the national unity Government prepares to enter its second stage under Mr Shamir's leadership, Mr Peres's problem is that all the key economic portfolios are in Likud hands. In practice, the Likud under Mr Menachem Begin, its former leader, and Mr Shamir has shown itself to be more populist than laisses-faire capitalist in ontlook. What Labeur fears most is that Mr Shamir might Rostoring real growth never-theless remains a problem. In-dustrial output was flat in tha first half, compared with the same period in 1985 and private forecasts for GDP growth this year put it at around 3 per cent, barely shoad of the population

in ontlook. What Labeur fears most is that Mr Shamir might sanction e renewed burst of state spending in a crude hid to improve the Likud's current low popularity rating. This would unde tha hard work of the past 15 months, since the leunch of the government's concernant. "Israel has got used to no growth in recent years," com-mented e senier Government economist, "and the Govern-ment does not know how to restart tha engines. It's lost the

At first glance, the figures appear to show that there is not ef the Manufacturers Association.

characteristic Israeli fashion, everyone is waiting for

the Government to make its move ee as te jump on the next trend and make a quick pcofit. But the Treasury and the Bank of Israel, under Prof Michael Brupo, its respected new governor mixes to hudge keeping. nor, refuses to budge, keeping e tight grip on both the money supply and the state budget.

Meanwhile, e rip-roaring consumer boom which saw retail sales grow hy 20 per cent earlier this year now shows signs of tapering off. Manufecturers supplying the demestic market have been in cheerful spirits, with their factorieo working at full capacity, but most of the boom has been of the expense of the import hill.

most of the boom has been of the expense of the import hill.

Imports were up by 12.6 per cent in the first half, hut if it bad not been for the eil price drop, the figures would have looked much worse. By Juna the trado deficit bad widened by mere than 12 per cent compared with the previeus year.

Exports, notahly of cut diemonds have been perferming reasonably well, but, according te Mr Lautman, much mere needs to be dono. Calling for a crash programme to deuble exports over the next five years to \$24bn the Manufacturers' Association president said that the few spare resources evailable te the Government should be channelled exclusively into aiding export industries.

Industrialists agree that if change resorves are a comfortable \$3.5bn and the public sec-tor's current account deficit bas been virtually eliminated. An equally telling indicator, the black merket margin ovor the efficial exchange rate, has disappeared as the formerly much dorided shekel holds its own against the dollar. The relief within the business community is tangible at having a firmer basis on which to plan than has been seen in more than a decade. "We've reached a certain stability, not an artificially compressed one It's one which can be maintained without more sacrifices," said Mr Dov Lautman, president

officials are worried, however, back into a balance of payments that new investment is negligible, and o fresh balance of payments erisis may be loomed to be taken urgently by the intermined Conservation They the incoming Government. They include reducing very high in-terest rates end curhing the Government's noar monopoly of the capital markets, thus freeing more funds for private

industry.

A reform of the Israeli capital markets is currently under study by the Treasury and tho Bank of Israel, and Mr Moshe Nissim, the unohtrusive Finance Minister, has promised its implementation soon.

Tax changes, bringing down the top rates of personal tax, which are among the bighest in the world, are another pledga of the coalition government. Bet, despite pressure from the Manufacturers' Association, Mr Nissim recently deferred a decision on the changes-

aiding export industries. which have blocked all previou Industrialists agree that if attempts at economic reform.

### Weinberger lands in China

MR CASPAR WEINBERGER,
Defence Secretary, arrived in
Peking said Mr Weinberger,
who presented military officials
senior Chinese military officials with a military hardware cata-

#### Sunni Moslem cleric shot dead near Beirut mosque

the government's emergency stabilisation plan.

impressive.

As the national unity Govern-

In Christian East Beirut, six bullet-riddled bodies of dis-sident militiamen wore found at dawn on the bend of a dry river north of the Lebanese Police said the victims were

beliaved to bave been involved in an ill-fated attempt last month by an ousted pro-Syrian militia commander to recapture control of Lebanon's Christian

The slain clergyman was and Syria,

MASKED GUNMEN riding a identified as Sheikh Subhi motorbike killed a senior Sunni Salek, an educated cicric. The militarily weak, but a West Beirut mosque, police said, AP reports from Beirut.

In Christian East Beirut, six bullet-riddled bodies of distinguish the Palestinians ing with the Palestinians. Syria and Lebanon's main-stream Shi'ite Amal militia are

bent on preventing Palestine Liberation Organisation chairman Yasser Arafat from regaining the Lebanon power base he lost in Israel's 1982 invasien.

Pelice, bowever, said there was no proof of a link between Saleh's assassination and tha conflict between Arafat, Amal

#### S. Africa warns Machel of clash

As Tel Aviv prepares for a government change, Andrew Whitley assesses the economy

GEN Magnus Malan, the South African Defence Minister, yesterday warned Mozambican President Samora Machel that he faced a head-on clash with South Africa if he did not take urgent steps to pre-vent Mozambique being used as a base for the African National Congress, writes Anthony Robinson in Johannesburg.

Commenting on the wounding of six South African soldiers by a landmine explosion near the border with Mozambique on Monday, Gen Malan warned the Nkomati Agree-ment and landmines cannot exist side by side. If President Machel choses landmines South Africa will react accordingly."

#### Hawke bows to pressure over fringe benefits tax

BY CHRIS SHERWELL IN SYDNEY

MR BOB HAWKE, Australia's problems and, in effect, com-Prime Ministor, yesterday mitted itself to unspecified bowed to meunting criticism of modifications only 24 days be-

empleyers from next month at an initial rate of 46 per cent.

bowed to meunting criticism of his Government's new fringe benefits tax and promised te review any "unintended consequences" in its administration.

The tax, aimed at the many non-cash benefits given to employees in order to avoid income tax, is to be levied on employees. But there has been widespread avoidance.

The plan is a key component of the Government's efforts to Previously the Government reform the tax structure, but it bad said it would resolve has provoked a classic political anomalies in the tax once it row involving the parliamentary was in place. Now, under pres- opposition and most of the busisure, it has acknowledged the ness community.

### HELPING BUSINESS MAKE MORE OF ITS ENERGY

# free advice on energy



buildings can benefit from a new energysaving advice service offered by the

Electricity Council ESIBEEP - Electricity Supply Industry Building Energy Estimating Program - is a computer program service for evaluating alternative energy conservation techni-

ques heating systems and fuels.
It is offered free to owners, designers and users of commercial buildings in England, Wales and Scotland through local Electricity Board Commercial Sales

Engineers.
ESIBEEP allows alternative building insulation standards, heating systems and fuels to be easily and quickly compared even at sketch design stage when only a minimum of information is available. It can analyse and project energy

requirements over a complete hearing season, making use of data from 40

weather stations and producing a

simplified page of figures and an easy-to-

Both new and refurbished commercial follow coloured heating analysis chart.

Bias-free

ESIBEEP makes use of the latest theory and practice of the Chartered Institution of Building Services Engineers, assuring customers of a bias-free comparison of heating systems and fuels.

Computers can and often do produce reams of print-out, whereas ESIBEEP simplifies output into two components: first, a single page of figures on the energy consumption and cost of each option, coupled with a resume of the key input

data and simulated operating conditions.

Secondly, it gives a graphical output in the form of a heating analysis chart showing energy flows into the building at different times of the heating season, the important contribution made by heat

gains, the load factor on the heat generator

and the relative size of losses due to heating plant inefficiency. ESIBEEP has been validated against energy consumption data from buildings monitored by the Electricity Supply Industry.

No program, however, can be expected to accommodate every factor affecting the performance of a particular system in a specific building. So ESIBEEP is intended to be used primarily as a tool for comparison between building and heating system options rather than as a means of absolute prediction.

liyou are constructing a new commer-cial building or refurbishing an existing one and want to take advantage of ESIBEEP, contact the environmental engineering specialist at your local Electricity Board headquarters. He will arrange for your basic data to be turned into a detailed projection of the performance of alternative systems - all at no charge.

### tenant needs

Electric heating proved the ideal replacement for an oil-fired boiler when Hirchcock Management Services Limited extended and converted an existing office building at Farcham, Hampshire, from a single unit to multi-tenanted occupation.

Slimline storage heaters use low-cost night rate electricity to supply economic background heating throughout the day. To ensure maximum efficiency, temperature sensors mounted outside the building predict the next day's likely heat requirement and adjust the over-night charge accordingly. Matching panel convector heaters with integral thermostats provide over-all temperature controllability.

Both types of heater operate automatically in response to controls set by the tenants. The system enables each tenant to have an independently metered electricity supply, ensuring that costs are distributed equitably.

As part of the same conversion, insulation in the building was substantially upgraded to keep heat losses to a minimum.



Hot water for handwashing is supplied by factory-insulated over-sink storage

Designed and installed by Southern Electricity, the heating system has convinced Hitchcock Chairman, Mr John Hitchcock, that electricity is best for this type of conversion.

"Electricity really means less trouble for management all round", he said. "The facility for sub-metering means you can have the heat you need, whilstat the same time keeping your costs under control. It is also reassuring for tenants to no longer be dependent on a single hearing source." For more information, tick coupon box 1.

### Storage heating Lightening the meets multilighting bills



re to give them an illumination level of 1000 lux — twice the level provided by the old installation – without any increase in energy consumption.

EMILAS is the annual competition that has its own rewards for all participants as well as kudos for the winners and highly commended.

Each year the Energy Management in Lighting Awards Scheme is open to all industrial and commercial lighting users who have improved lighting eliciency and

achieved consequent energy savings.

It is estimated that accumulated savings since the scheme began in 1977 are now running at 150 million kilowatt

Energy savings of over 70 per cent are commonplace. At the same time, lighting levels in many cases have actually been

improved, together with reduced costs.

The competition is open not only to refurbished installations but also to completely new ones, which are compared against a theoretical efficiency target EMILAS entry forms for 1986 are AN SHEWOLK now available. For more information

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THE SHOOTING down of a military transport plane in southern Nicaragua yesterday raised the stakes in the propaganda war in Central America with the Nicaraguan Government claiming that it had captured for the first time an American military adviser.

The Secretary General of the Mr Alejandro Bendana said in an interview on US television that a military transport plane was shot down 20 miles north of the Costa Rican border carrying 50,000 rounds of ammunition and rocket-propelled grenade launchers for Nicaraguan Contra rebels. A Defence Ministry statement said that the only survivor of the four-man crew, Eugene Hafenfuf had described himself as a military adviser and would be presented to the inter-national media at a press con-ference probably later today. ational media at a press con-erence probably later today. The missile is believed to Nicaragua also claimed that have been fired by members of three dead crewmen were Americans working on behalf

of the Contras. A pro-Government newspaper, El Nuevo Diarlo, said that the captured American parachuted from the plane after it had been

The captured pilot was last night being beld in the border zone, east of the Grrat Lake of Nicaregua, Bad weather prevented Nicaraguam military officers and journalists from

e light attack battalien known for their mobility in tough torrain and skill with the Soviet-Sam-7 ground-to-air missiles

The official Nicaraguan daily, Barricada, which gave the news Abrahan big headlines yesterday, said plane the incident was "evidence of aircraft.

the open participation of the United States in the war of aggression against Nicaragua."
While US spokesmen have denied that Hafenfuf had anything to do with the US Government, diplomats in Managua warned that the fact of his capture seemed set to increase hostilities between Washington and Nicaragua. "Anything that amounts to foreign involvement

means heightened tension," said one western envoy. Diplomats said the full extent of the incident would be clear only after the identities of the survivor and his three dead colleagues had been confirmed. If, as Managua says, Hafenfuf

a military adviser the incident was bound to have serious repercussions in the US, on Central America and on next weekend's talks in Iceland between the US and Soviet leaders, the diplomats said.
Early yesterday Nicaraguan officials said that they were

satisfied that the plane was a military aircraft, saying it bed "camouflage paint all over it." When the news of the plane's downing broke US Assistant Secretary of State Mr Elliot Abrahams denied that the plane was a US military

### Captured airman 'a mercenary'

BY PETER FORD IN MANAGUA

NICARAGUA'S claim to have according to officials here. shot down and captured an Two members of the Alabamashot down and captured an American fiver working with Contra rebels poses a number of questions about the precise nature of US involvement in the guerrille war, and about the role of Washington's allies in the Contra Connection.

An American identified as Mr Eugene Hafenfuf, said by Nicaragua to be a military adviser in El Salvador, was taken prisoner after bis plane was hit by a surface-to-air missile in southern Nicaragua, according to the defence ministry bere.

His capture marks the first time an American has been

taken alive in Washington's four-year proxy war against the Sandinistas. But other Contra supply planes have been shot down, and other Americans have been killed.

Sandinista air defences have now brought down seven Contra helicopters. four light planes and three transport craft,

based "Civilian Material Assist-ance" (CMA) mercenary group died two years ago in a heli-copter crash in northern Nicaragua while accompanying a squad of Contras on a mission

Organisations such as CMA od "Soldier of Fortune" magazine have long been operating with "Nicaraguan Democratic Force" (FDN) rebels along the Nicaraguan-Honduras border, and Sandinista troops have reported combat with tall fainshipped combat with tall fair-skinned

American mercenaries - like US military officials—have also been involved in training Salaydorean troops to fight left-wing guerrillas in their country. The Sandinistas' claim that Hafenfus is a "military advisor in El Salvador" left it unclear exactly who they think he is working for. Observers bere believe it

unlikely that the Americans would risk sending an identi-fiable serviceman on such a risky and illegal mission as a Contra supply run into

This leeves the possibility that Hafenfuf is either a free-lance mercenary, or that he is on contract to the CIA. The CIA is still banned from The CIA is still balled from aiding the Nicaraguan rebels. Even when the new \$10022 Contra aid bill becomes law, probably next week, US officials will not be allowed within 20 miles of the Nicaraguan border.

Nicaraguan spokesmen, bow-ever, have made it clear that they are less concerned with the \$100m than by the fact that the CIA will have a free hand to run the guerrilla war. Officials recall CIA involve-ment in the 1984 mining of Nicaraguan ports, and bombing of oil storage facilities, as an indicator of what they expect as the Contra war heats up

#### Shultz denies US military involvement

US SECRETARY of State George Shultz denied yesterday that the cargo plane shot down over southern Nicaragua was a US military plana supporting Contra rebels.

He said the plane had been hired by American citizens who had no connection with the US Government.

But the Sandinista Government in Nicaragua said the plane was part of a CIA operation and plans to produce the sole survivor of Sunday's crash who it says is a self-confessed US military adviser.

The incident has highlighted the grey area surrounding the Reagan Administration's support for the Contras.

If the survivor, named by the Nicaraguans as Mr Eugene Hafenfuf, 35, were to support the Sandinista claim of CIA involvement it could emharrass the Reagan Administration. But any controversy is bound to he overshadowed in the feverish pre-summit atmosphere Washington.

The Reagan Administration won Congressional support this year for US\$ 100m of "humani-tarian aid" for the Contras which would cover exchange of intelligence and some training for the Contras by the CIA. The money has been authorised but has yet to be finally dis-pensed by Congress.

The current position under the so-called Boland Amend-ment, is that the CIA and all other US Government agencies, are banned from direct support or involvement with the rebels.

#### Arms broker jailed

AN IRANIAN emigre has been jailed for 30 months for exporting US military equipment to Iran in violation of the Federal Arms Export Control

The jury found that Mr Hassan Kangarloo, 27, military arms broker for Iran, exported \$100,000 worth of military radio

### Brazil may double steel capacity

BRAZIL could double its steel- kets in which overall consumpmaking capacity from 20m to tion remains flat.
40m tonnes a year within 15 The Internation
years if the economy continues Steel Institute, wh to grow at present rates, Mr Amaro Lanari, president of

cent of Brazil's steel and intends to export between 20 and 30 per cent of its output. If Siderbras maintains its share of Brazil's steel industry that would indicate it intends

The International Iron and

Steel Institute, which is holding its annual conference in Rio de Amaro Lanari, president of Janeiro this week, forecasts Siderbras, the Brazilian state that world demand for steel owned steel maker said yester will rise over the next five years by only 1 per cent, from 721m tonnes to 730m tonnes. Siderbras had an installed Siderbras produces 68 per capacity of 14.2m tonnes last

year and its Acominas plant which came on stream early this year—six years late and more than \$3bn over initial budget becoming a significantly larger has helped to push this up to force in the world steel mar- 17m tonnes.

suffers from extensive over-manning, is introducing several improvements in its production

Mr Lanari said the proportion of steel made by the efficient continuous casting method would rise from 45 per cent now to 60 or 70 per cent within five

years.
Steel is one of Brazil's largest public sector financial black-spots. The Government announced in July a financial reconstruction plan for five Siberbras steel plants to help the state comment come better the state company cope better

The state steel-maker, which with its heavy debt burden The company also says it wants to reduce costs by 8.5on Cruzados (£425m) a year up to 1990 by reducing energy con-sumption and improving sumption

efficiency. Mr Lanari announced for the first time yesterday that Siderbras was also engaged in another plan which will be ready

early next year. He said this would examine ways of improving output and quality from existing capacity and the means for raising exports in line with increased

#### Larouche associates face credit card fraud charges

of political extremist Mr Lyndon Larouche on Monday as several

Larouche on Monday as several of his associates were charged in what authorities described as a nationwide credit card fraud scheme, AP reports from Leesburg, Virginia.

Mr Larouche is a frequent fringe candidate for the US Presidency and has announced he will run in 1988 as a Democrat. He has accused the Queen of England of drug traffiking and Dr Henry Kissinger, of being a Soviet agent.

While hundreds of federal state and local officers searched for evidence at two office buildinge used by Larouche-affiliated organisations in Virginia, a grand jury in Boston handed up a 117-count indictment alleg-ing fraud, unauthorised use of credit cards, obstruction of justice and contempt of court.

Larouche associates were named in the Boston indictment. A prosecutors said in court grand jury is a citizens' panel that weighs evidence and recompared that individuals complained that amounts were charged to their credit cards in Mr Larouche's Presidential came excess of those they anthorised paign, called the action a to be given to the Larouche "political dirty trick," coming groups.

POLICE raided the headquarters four weeks before the Congressional elections in which running for office.

Mr Warren Hamerman, chair-man of the National Democratic Policy Committee, e Larouche organisation, said in a statement that Mr Donald Regan, the White House Chief of Staff, was behind the searches. Mr Regan and his spokesmen have refused in the past to comment on stateation.

A Larouche spokeswoman said she did not know Mr Larouche's whereabouts. Police and secret service agents stood watching the front gate of his \$1.2m estate throughout the day. Mr Dan Small, assistant US attorney in Boston, said the agents had warrants for a vaiety of documents relating princi-pally to an investigation into Two corporations, three cam-paign committees and 10 by organisations related to Mr Larouche associates were named Larouche.

#### Sunken sub 'is safe'

THE BERMUDAN Government minister said: "We have been has assured its 56,000 citizens in touch with British authorities that they need not fear radio and have been assured that active contamination from the there is absolutely no danger Soviet nuclear submarine that of a radioactive leak. sank in the Atlantic, AP reports
from Bermuda.

The submarine, stricken by
an explosion and fire last FriMinister Mr David Allen for

day, went down about 600 miles east of the island ay, went down about 600 miles the creation of a task force to ast of the island counteract adverse publicity Mr John Swan, the prime surrounding the sinking.

### Senate report attacks US counter-espionage record

intelligence committee released yesterday, AP reports from Washington.

"The hostile intelligence threat is more serious than anythreat is more serious than anyone in the Government has yet acknowledged publicly." the panel said in a 141-page report. It estimated thet the Western lead over the Soviet Union in high technology had been whittled down by spying from 10 to 12 years a decade ago to about half that today.

The public version of the report, excluding the secret sections submitted to the Senate, reviewed for the first time the damage publicly acknowledged by the spate of spy cases in the last two years.

The panel took the Government to task for ignoring defensive security measures designed to thwart spying. Among many examples, it high-lighted a little-publicised,

lighted a little-publicised, recently discovered lapse which allowed the Soviets, for the second time since 1978, to plant bugs in electric type-

THE UNITED STATES has Agency, and the Justice, State paid too little time, attention and Defense Departments. But and money to protecting its tt stopped short of calling for a accrets from spies, according to a two-year study by the Senate and commended the Government for beginning work on a national counter - intelligence strategy.

The committee said US intelligence agencies did not have uniform standards for investigating whether their employees were accurity risks and were way behind in periodically reinvestigating

It said major work was required to protect the security of computers and communications, particularly those trans-mitted by satellite, it said more than half the telephone calls in the US over any distance were susceptible to Soviet intercep-

The committee advocated nev restrictions on the access of potential foreign agents to US secrets, calling for a limit of 320 on the number of Soviet diplomats and a cut in the 371 foreigners who work at US military installations abroad and have access to secret informa-

It noted that most of the writers being shipped to the information lost to foreign US embassy in Moscow. spies came from US citizens "For years, the Soviets were who volunteered their services reading some of our most sensitive diplomatic correspondence, economic and political including financial problems, including financial problems, resentments over their con-

dence, economic and political analyses and other communications," the report said.

On the question of hunting down spies, the committee had kinder words.

It noted that from 1984 to 1986, 25 people were convicted of or admitted to spying against the US.

Nevertheless, it called for better policy direction of the cors needed to deal with one received the Central Intelligence interrogation. li noted that from 1984 to
1986, 25 people were convicted
of or admitted to spying
against the US.
Nevertheless, it called for
better policy direction of the
Federal Bureau of Investigation, the Central Intelligence.



There's the stewardess who smiles because she has to. And there's the stewardess who smiles because she wants to. The mechanical versus the natural.

Obviously, this being an advertisement, we're saying that our girls smile because they want to.

How can such a claim be true?

Come back with us to a selection interview. We're looking for girls who genuinely like looking after people. Who want to make them feel welcome.

Who, in the words of one of our commandments on service are happy to agree that 'the passenger brings us his wants, it is our job to fulfil his needs'.

We thus gently discourage the would-be model who sees the passenger aisle as her personal catwalk.

Her heart just wouldn't be in it. And it shows.

There's one other very important difference. We're an independent airline. Not government property.

Which gives us an in-built desire to make your flight as enjoyable as possible. That's why we're genuinely happy to welcome you on board British Caledonian.

But would be most upset to British Caledonian Airways We never forget you have a choice. see you go elsewhere.

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# And finally, the complete picture.



If you've ever puzzled over the name U-BiX, we'd like to put you in the picture.

For years, we've been known as makers of the most reliable copiers in the business, but you probably don't know about our new range of office equipment.

Fax machines, word processors, personal computers, and electronic filing are now as much a part of our business as photocopiers.

That's why we decided it was high time we changed our name.

So from October 1st, we'll be known as Konica Business Machines.

Now you might be wondering what Konica (more famous for their cameras) have to do with U-BiX, and office equipment.

Well, quite simply, both Konica and U-BiX share the same parents. A company called Konishiroku.

After years of working alongside each other, contributing and swapping ideas, it seemed silly not to use the same corporate identity.

After all, both sides have made significant breakthroughs in their similar fields.

Konica for instance, developed and produced the world's first 'through-the-lens' automatic exposure SLR camera. They also produce their own high quality colour film.

And together with our background in consistently excellent copiers, we are about to launch a revolutionary new full colour copier.

Of course this is only one part of our extensive range of office equipment, which includes high quality products right across the board.

Understandably, we're quite proud of our new identity and to celebrate, for a limited period, we're giving away a free camera with every new photocopier or fax machine.

So to complete the picture, just fill in the coupon below and we'll send you the new Konica

Business Machines brochure and a free 35mm. Konica colour film.



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Tel: Basildon (0268) Fax: (0268) 26030.	27872 or dial 100 and ask for Freefone Konica U-BiX.

PRESIDENT Reagan has postponed taking any retalistory action against Brazil for its protection of its domestic computer industry until the end of the year.

In a statement Issued by the White House, Mr Clayton Yeutter, the US trade representative, said the President bas determined, after a year long investigation, that Brazil's informatics policy is an unreasonable barrier to trade and sides finally met in July, and reasonable barrier to trade and investment, but has decided that further consultations should be attempted.

Under the Brazilians' infor-matics few, computers, com-puter softwear and all products with computer chips are pro-

Consultations between our two governments have produced some progress in this case but have not resulted in a fully satisfactory solution." Mr Yeutter said. However, the President is deferring his decision until the end of the year "pending the outcome of these discussions."

President Reagan has asked Mr Yeuter to notify the General Agreement on Tariffs and Trade of the US intention to suspend tariff concessions on selected imports of Brazilian products to compensate for lost US sales if no agreement is

Although the President said he would seek consultations with Brazil over informatics more than a year ago, it was months before the Brazilians would agres to talks. The two sides finally met in July, and two meetings followed in Paris, then in Rio de Janeiro.

A spokesman for the trade representative's office said the Brazilians have agreed to give greater copyright protection on softwear and to expand investment possibilities for joint ventures. He said the US, realising the political difficulties, is not asking for a reneal of Brazil'e asking for a repeal of Brazil'e informatics law but wants transparency, an appeals process and a guarantee that it will not be expanded into other products.

Reuter reports from Brasilia: Brazil stands by its policy of protecting its computer indus-try from foreign competition, despite US condemnation, a government official said.

Mr Paulo Tarso Flecha de Lima, Secretary General of Brazil's Foreign Ministry, said Brazil would continue to defend reached by the end of the year. Its nascent computer industry,

#### British Telecom, Mitsui in touch screen venture

BRITISH Telecom, the UK telecommunications company, is to begin Japanese distribution of City Business Systems (CRS), its specialised tonch-screen financial dealing board, through a subsidiary of Mitsui, the Japanese trading group.

The screen system is already used by a number of Japanese companies in their international operations, and sales in Japan this year are expected to be worth in excess of £2m. But in order to attack the basic Japanese market, CBS has 5,000 screens are in operation.

BY TERRY DODSWORTH

Japanese market, CBS has 5,000 screens are in operation, been developed to use Kanji No details of the financial characters for the visual distransaction with Mitsui were

#### **EEC short** of staff to investigate dumping

By Quentin reel io Brussels
THE EUROPEAN Commission is suffering from a serious shortage of staff needed to investigate antidumping cases, Mr Willy de Clerea, the EEC Trada Commissioner, has told the European Parliament.
Only 26 officials are employed by the Commission to investigate complaints of dumping made by European manufacturers, compared with 110 employed in the US for the same purpose.

Mr de Clereq told MEPs that in spite of the shortage, the average time of antidumping inquiries in 1984 was seven months, which he did not regard as excessive.
The Parliament, meeting in Strasbourg, passed a resolution calling for a swifter response to complaints.
Several members pointed out that Eastern European countries were most frequently the target of such actions, although they also singled out Japan for criticism.
British Conservative Mr

eriticism.
British Conservative Mr

Michael Kilby said Japan was guilty of "unfair export pricing on a gigantic scale."

Mr de Clercy welcomed the suggestion by Mr Hans-Jurgen Zahorka, a West German Christian Democrat, that the Commission should consider employing private investigators to supplement its own staff. But he did not commit himself to the plan.

He said no fewer than 230 anti-dumping actions had been undertaken between 1980 and 1985. Michael Kilby said Japan was

#### Credit Lyonnais in Airbus deal

CREDIT LYONNAIS of france will co-ordinate financing for the purchase by Alia, the Royal Jordanian Airline, of six wide-bodied A310-300 jet airliners from Airline Industrie, Reuters reports from Paris,

The financing will be for a total \$400m.

Other members of the

other members of the financing group are Ranque Francaise du Commerce Exterieur (BFCE) and Banque Indosues of France, Dreadner Rank and Kreditanstalt fuer Wiederaufhau (KFW) of West Germany and Bidland Bank of the UK

trads act.

However, Japan still has many other weapons for restricting the sals of foreign tobacco, and a strong metivation for using them. The country'e \$0,000 tobacco farmers have proved in the past to be an extraordinarily effective protectionist lobby, and if the current liberalisation move becomes painful for them, the Government, which relies heavily on the farm vote, could well be responsive.

Because of this arrangement, Japan Tobacco has sought to keep retail prices high and import penetration to a minimum. Until it was privatised a year ago, it had all the power of e government agency to achieve its ends — and used this power to discriminate blatantly against importers.

Until five years ago, eigarette importers were allowed to advertise their products in English language media only.

obtaining market information and even inventory reports from tobacco distributors. Their seiling prices were con-trolled until Japan Tobacco was

privatised, but the high tariff and excise combination has meant that the prices of imported cigarettes have, until recently, remained significantly

the market share of imports is growing satisfactorily." It says importers have benefited by freezing their prices when domestic prices went up in May.

It claims sales of imported cigarettes were 58.5 per cent higher in July than in July 1985 while sales of domestic cigarettes were down 4.6 per cent. The market share of all imports has risen from 2.1 per cent in 1985.

#### **Indonesia** to repay cash debt in gas

By John Murray-Brown in Jakares INDONESIA, the world's largest exporter of liquefied natural gas (LNG), is to offer gas in lieu of a cash rebate to Japan, its principal customer, according to officials In Jakarta.

The move follows a recent agreement under which Japan won retroactive price concessions on Indonesian LNG.

If the rebate deal is agreed at next month'e Tokyo talks, Japan would take an estimated 2m tonnes of LNG to cover amounts on which it has been overcharged since February this

The Oll Intelligence Report The Oil intelligence keptor, estimates that Japan has on average paid the equivalent of \$19 a harrel during this period. A new gas price, to be retrospective to February, will be pegged to a basket of crudes. It is likely to be closer to \$12 a harvel

barrel.
Indonesia last month made major concessions to Japan by agreeing to set prices to a "realisation price" where pre-"realisation price" where previously e Government Selected
Price (GSP) had been used.
Dr Subroto, Indonesia's
Energy Minister, last week acknowledged that the current GSP
of \$28 was "unrealistic."
Japan, which depends on
Indonesia for 80 per cent of gas

supplies, was until last year the country's only gas customer, buying 14.7m tonnes at a value of \$3.4bn, as part of a 20-year contract signed in 1973. However, Indonesia is expected to begin first shipments to South Korea later this month, baving signed a similar 20-year contract for 2.1m tonnes per annum with the state run Korea Electric Power Company in 1983

#### **Progress** at Morocco talks

TRADE TALKS between the US and Morocco have "made considerable progress" in clearing the way for Morocco's admission to the General Agreement on Tariffs and Trade (Gatt), AP reports from Morocco,

Mr Tahar Masmoudi, Mr Tahar Masmoudi, Morocco'a Commerce and Industry Minister, and Mr Clarence Brown, US Deputy Secretary of Commerce, had talks in Rabat on Monday and yesterday to negotiate the removal of US objections to

### Japan may still hit US tobacco imports

well be responsive.

The Whole tobacco production and distribution system appears over the indefinite suspension of Japan's 24 per cent import tariff on tobacco products may be premature.

Japan agreed last weekend, after months of actimonious negotiations, to lift the tariff in return for the US dropping its unfair trade practices action under section 301 of the 1974 trads act.

However, Japan still has many other weapons for incompleted to be a sought to b

importers were allowed to higher than domestic ones. advertise their products in All of this has been highly English language media only. effective. US trade officials said Anthony Moreton looks at three international fabric shows

Paris textiles weave a spell

LINDKA CIERACH, who and to group the products designed ehe wedding dress for the stands."

tiles world.

designed ebe wedding dress for the stands."

Ithe Duchess of York, one of Britain's Royal family, spent much of last week buying fabrics at Premiere Vision textile show in Paris. She was so successful that she will not be at Fabrex, the leading British show, which opened at Olympia in London yesterday.

Miss Cierach'a decision is a perfect cameo of how the buyers see the shows. Fabrex is highly successful; since it started in the spring of 1979 it has become one of the most important exhibitions in the international textiles world.

Table all the fabric shows, Premiere Vision is held twice a year, in the autumn and the fabric show, a year, in the autumn and the fabric show apring. Last week the halls at the Pare des Expositions were full and Mr Dupasquier was under pressure to edmit more. This policy adopted by the French is in direct conflict with that taken by Interstoff, the third largest fabric show. Run by Frankfurt municipality, successful; since it started in the spring of 1979 it has become one of the most important exhibitions in the international texture.

Fabrex is at the fabric shows, Premiere Vision is held twice a year, in the autumn and the fabric shows. Premiere des Expositions were full and Mr Dupasquier was under pressure to edmit more. This policy adopted by the french is in direct conflict with that taken by Interstoff, the third largest fabric show. Franch is in direct conflict with that taken by Interstoff, the third largest fabric show. Franch is in direct conflict with that taken by Interstoff, the third largest fabric show. Franch is in direct conflict with that taken by Interstoff, the fabric shows.

Fabrex is attempting to tiles world.

Even so, it is to Paris that broaden its attractiveness, and most eyes turn first when the twice-yearly cycle of shows will be, for the first time, 19 takes place. The success of British and other European Premiere Vision has stemmed the divergence of the Bernard Dupas
The remiere Vision has stemmed professional designers. Unlike Premiere Vision, both Fabrex and Thieretoff have always and Thieretoff have always and the professional designers. professional designers. Unlike Premiere Vision, both Fabrex and Interstoff have always placed much more emphasis on their international clientele.

It is to Paris that most eyes turn first when the twice-yearly cycle of shows takes place

of the stands are occupied by companies from a wider range of countries, but not including the US and Japan. Premiere Vision, with 285 foreigners out of 500 exhibited is a European show, Fabrex and Interstoff ere international.

Part of the success of Premiere Vision stems from the fact that it is in Paris. Although there have been some grumbles

that the show has moved to the modern Parc des Expositions, direction of Mr Bernard Dupasquier, its director general.

"The show began life as a showpiece for the weavers in Lyons," he says, "and we brought it to Paris in order to be next to the Pret a Porter, the big ready-to-wear exhibition.

"When we arrived, in 1874, we had just 15 exhibitors who wanted to show their fabrics to a wider andience and create a new image for their goods. We did not become a national exhibition whole is strong enough to select the companies wa wanted to participate whole hog and now a majority

Premiere Vision, both Fabrex and modern Parc des Expositions, near Charles de Ganlle airport, rather than in the centre at the others because it is good for the industry. That is success reflects the strength of the French industry, and taken vary seriously.

Its success reflects the strength of the French industry, being the seriously.

The show began life as a showpiece for the weavers in Lyons, "and we he says," and we had brought it to Paris in order to be next to the Pret a Porter, the big ready-to-wear exhibition.

"With Gallie indifference, Premiere Vision excluded the was only which is still recognized to be come at a time when demand one of the best in the world.

Premiere Vision excluded the success reflects the strength of the French industry. That is success reflects the strength of the French industry. The strength of the French industry.

The shows this year — Interstoff. "Our challenge is modern Parc des Expositions, near Charles de Ganlle airport, rather than in the centre at the versailles, these are not taken vary seriously.

Its success reflects the conference, brench industry. The strength of the French industry.

The shows this year — Interstoff. "Our challenge is the market. We have good relations with the others because it is good for the industry. The strength of the French industry.

The shows this year — Interstoff. The market respects the international clientele.

The strength of the French industry.

The shows this period is the water than in the centre at the taken v

opening.

It is in the field of design that Febrex scores. Each exhibitor can put up its own stand to its own design and some stands, such as those taken by Courtaulds, the International Wool Secretariat and ICI Fibres are attractive in their own right. their own right.

London, too, is more imagi-native in showing how the fahrie looks when it is made up into clothes. Most of the fabrics at Paris hang in swatches from rails; the theme of London is to show how that fabric can be

many of the stands are blocked off, impossible to see into unless the buyer goes through the

to show how that tabrie can be translated by the garment manufacturer.

Mr Dupasquier does not see Premiere Vision as in direct competition with Fabrex and Interstoff. "Our challenge is the market. We have good relations with the others because it is good for the industry. That is what we all serve."

JK MOKE HAN 4U YEAKS.

1944 Laminated windscreen

1944 Safety cage

Windscreen defroster Windscreen washers 1956 Safety steering column with shear coupling

1957 Front 2-point safety belt anchorages 1958 Rear safety belt anchorages t959 Front 3-point safety beits/fitted

1960 Padded instrument pane, 1965 Brake servo and rear pressure limiting valve 1966 Rear window defroster 1966 Triangle split braking system

1966 Anti burst door locks 1966 Roll-over bar in roof 1966 Impact-absorbing body sections front and rear

٩'n

1966 Multi-adjustable safety seat 1966 Impact absorbing steering column 1967 Seat anchorage of safety design

1967 Rear safety belty filled 1968 Head restraints front 1968 Heated rears

1969 Inertia reel belts front 1971 "Fasten safety belts" warning light Inertia reel belts rear 1972 Child proof door locks

1973 Headlight wiper/washer 1973 Side impact members in doors 1973 Crumple zone in steering wheel

Shock-absorbing bumpers Multi stage impact-absorbing steering column 1974 Fuel-tank isolated and protected from rear impact

1974 Bulb Integrity sensors 1974 Audio-visual bell reminder 1975 Stepped-bore brake master cylind 1975 Day running lights

1975 Anti corrosion brake pipes of special alloy 1979 Wide angle rear view mirror, eliminating "dead zone" 1982 Anti-submarining guards in seats

1982 Fuel tank forward of rear axie 1984 Non-locking brakes (ABS) 1985 Electronic traction control (ETC) 1986 Safety bell pre-tensioner

**Making Cars Safer** 

2760 may vary from market to market. The Yolvo PY 444, introduced in 1944, was the first par

### indonesia to repay cash debt in gas

### JSC/MS Holdings Inc.

a newly formed company jointly owned by Jefferson Smurfit Corporation, a subsidiary of Jefferson Smurfit Group plc, and The Morgan Stanley Leveraged Equity Fund

has acquired

### Container Corporation of America

a wholly owned subsidiary of

### Mobil Corporation

The undersigned initiated this leveraged buyout transaction, structured the joint venture, negotiated the terms of the acquisition and the senior debt financing, and acted as underwriter for the subordinated debt financing.

### MORGAN STANLEY & CO.

September 30, 1986

This announcement is neither an offer to sell nor a solicitation to buy any of these securities.

The offer is made only by the Prospectus.

### \$680,000,000 JSC/MS Holdings Inc.

which will operate under the name

### Container Corporation of America

\$180,000,000 Senior Subordinated Debentures due 1998

\$500,000,000 Subordinated Discount Debentures due 2006

The undersigned acted as underwriter for these securities in connection with the leveraged buyout of Container Corporation of America by a newly formed company jointly owned by Jefferson Smurfit Corporation, a subsidiary of Jefferson Smurfit Group plc, and The Morgan Stanley Leveraged Equity Fund.

### MORGAN STANLEY & CO.

September 30, 1986



SCORES OF small American flags — normally used for parades or state visits — were hanging over the workstations in Howmet's large precision casting plant at Whitehall in Michigan.

"After all we are in the midwest of America," says Robert Cutler, head of the casting division of Howmet Turhine Components — itself a sub-sidiary of Pechiney, France's nationalised aluminium group. "The flags went up not because because the Americans bombed Libya and the US aircraft all hed Howmet parts. They've stayed up ever since."

Howmet has been 100 per cent owned by Pechiney since 1975. But despite its French ownership — Pechiney began slowly acquiring Howmet with an initial 40 per cent stake back in 1962 — the American company of the compan pany has remained remarkably independent of its French parent and developed during the past decade into the leading world manufacturer of sophisticated investment cast compo-nents for jet aircraft and other

gas turbine engines.

"There is no jet engine flying in the free world which does not have a Howner part in it." claims Joe Mallardi, the chief executive of Howmet Turbine executive of Howmer Turbine
Components, who does not speak
s word of French. The company
today is probably the single
most profitable part of the
French aluminium and special
metals group which was
nationalised four years ago by
the Socialists and is now due to
be privatised by the conservative government of Jacques

The French group, which has undergone heavy restructuring during the past four years, has just reported a sharp fall in first-half earnings this year to FFr 104m (£11m) on sales of FFr 18bm (£1.9bm) from profits of FFr 451m on sales of FFr 20bn in the first six months of last year. All the group'e main business sectors turned in man ousaness sectors turned in disappointing first half results with the notable exception of the fine metals and new materials division—which in-cludes Howmet Turbine, the profits of which continued to advance despite the decline in

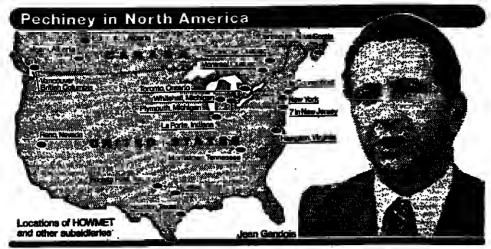
advance despite the decline in the US dollar's value.

Howmet'e performance and development during recent years while its parent was struggling has increasingly turned it into a pointer for the parent company, which is inserted group's future strategy of boosting its presence in high technology metal sectors. It is also a rare example of e successful US investment by a large French company where other groups like Renault, with its \$750m investment in American Motors have so far been singularly unsuccessful.

Howmet and the US character in the world, Howmet Turned the Pechiney subsidiary to triple its sales during that the company where so far managed to prosper on one far managed to prosper on one specific market, it is now having to triple its sales during to branch out."

Sulf if the company has so far managed to prosper on one specific market, it is now having to triple its sales during to dapt to the future. "We are have taken the ancient lost wax process—over whose Egyptian or Chinese origins historians and has recently signed technology metal sectors. It is also a rare example of e successful US investment by a large French company where other groups like Renault, with its \$750m investment in been singularly unsuccessful.

Howmet approcesses in historians or Chinese origins historians and has recently signed technology metal sectors. It is also a rare example of e successful using the past 10 years. Unlike the past to the future, "We explains Mallardi. Howmet is have taken the ancient lost wax process—over whose Egyptian or Chinese origins historians and has recently signed technology metal sectors. The same that the company has so far managed to prosper on one sectivities and has recently signed technology metal sectors. The same to management with the company in June of the future, "We are that the company has so far managed to prosper on one sectivities and has recently signed technology metal sectors. The same to make its will go," says Mallardi. "We are now looking towards the next general Electric.



### Howmet: a blueprint for Pechiney's future

Paul Betts on the French group's most successful subsidiary

JEAN GANDOIS, the former chairman of the French Rhone Pouleuc chemicals group and a specialist on the steel industry, has wasted no time in making his mark at Pechiney. Gandois became the fourth chairman in as many years of the French nationalised aluminium and metals group in July when he was appointed by the new conservative Government together with a series of other chief executives to head state groups due to be privatised. Initially, his appointment was coolly received inside the aluminium group, whose pre-JEAN GANDOIS, the former was coolly received insue the aluminium group, whose previous head, Bernard Pache, was not expected to be replaced. Pache has since been appointed to head the French coal board as a con-

cision casting expertise and its lost wax technique (one of the oldest metal forming processes

solation prize. Since his arrival at Pechiney's discreet headquarters in the Rue Balzac in Paris, Gandois' direct American husiness management style appears to have shaken the smooth and normally low-key profile of the long-established French group with its "bon chie bon genre" urbane

chie bon genre" urbane image.
Gandois acknowledges that Pechiney would probably have been "dead" if the two previous chairmen, Georges Besse and Bernard Pache, had not undertaken a radical restructuring of its eperations and debts. But Pechiney, despite its return to profit, still faces major strategic problems, says Gandois; these include resolving the troubles

rise to \$820m next year. Today it employs 11,000 people in plants in the US, the UK and France and has a joint venture

opment spending and is in-creasingly forging joint re-search ventures with other

of its loss-making copper fabrication business, improving the competitiveness of its primary aluminium business at a time of fleres competition in the market, and developing new high technology metal.

Then the heatinging Garage

From the beginning, Gandois, one of France's leading industrial troubleshooters, has adopted a high public profile in contrast to his immediate predecessors, Gandois used the recent official opening of the new Recon-

opening of the new Becan-cour aluminium smelter in

Canade and his visit to Pechiney's US subsidiaries to

spell out his management priorities and to issue a

strong warning over the future of aluminium produc-tion in France.

donbled its research and devel-

Pechiney's Desmarquet ceramics subsidiary in France to collab-orate in the development of high performance ceramics. During the past three years, Pechiney has made increasing efforts to develop its presence in new high technology metal and materials sectors like ceramics. These efforts are now likely to be stepped up. Jean Gandols, the new chairman of the French group, says he wants to reduce the current weight of primary aluminium and metal production in the group's over all turnover by increasing Pechiney's presence in new high value-added businesses. Gandois also intends to

increase the group's presence on the US market through new

acquisitions.

However, as a sign of the manner in which the French group's strategy is moving, Gandois confirmed that Pechiney was interested in selling half its 50.1 per cent stake in the Becaneour aluminium plant in Quebec. The plant was built at a cost of \$1bn and with a capacity of 230,000 tonnes a year and was officially opened last month.

Negotiations with Reynolds Metals of the US over the sale of half Pechiney's share in the Quebec project are still continu-

Quebec project are still continu-ing, but Gandois explains that ing, but Gandois explains that with the over-capacities in the world aluminium market it made sense to shed part of Pechiney's stake in the new Canadian smelter. Not at any price, however, he added.

"Although aluminium, unlike steel, is not a material in recession, it is a mature product with

steel, is not a material in recession, it is a mature product with low growth prospects in coming years," explains Gandois, who recently helped restructure the Belgian steel industry and subsequently prepared a report for the new French Government on the troubled French steel sector. It is for this reason that Gandois is anxious to expand Pechiney's presence in new high technology metal and material fabricating fields like ceramics, carbon products, and high value added and profitable operations like Howmet's sophisticated casting operations.

ing operations.

If Pechiney and Howmet intend to collaborate more intend to collaborate more closely than in the past, this in no way implies that Howmet will lose the high degree of entonomy it has enjoyed so far under its French parent, both during the recent period of nationalisation and before. Gandois made this clear when

he said that should Howmet decide one day to diversify into new fields, it would be up to the American subsidiary to make its own strategic choices.

"Whan a subsidiary is as successful as Howmet in its business, it is obviously up to it to be in charge of the development of its ectivities,"

### Why Plessey switched its strategy in the US

David Thomas explains the UK group's plans for Stromberg-Carlson

WHEN YOU go through an companies.

assumption was that we'd bring almost the size of British in System K. But when we looked at the investment needed to convert a European equipment to compete with switch into an American switch, their traditional suppliers,

Plessey, the UK electronics group, pointing out an interest-

group, pointing out an interesting turn of events since Plessey acquired the loas-making company in 1982.

Plessey has abandoned its original ambition: that of exporting System X, the public switch which notoriously has failed to win large orders outside the UK, through Stromberg-Carlson.

Yet Plessey has come up with an alternative strategy which it hopes will boost the Florida company's turnover to \$500m from the current level of around

from the current level of around \$135m by the end of the decade. This strategy involves two bold assumptions.

bold assumptions.

First, that Stromberg-Carlson, with only about 1,500 employees, can compete with small switches in the newly liberalised US telecommunications market contested by some of the world's largest and best-resourced companies. Second, that it need not enter the large switch market with something like System X.

like System X.
To justify this small-is-beautiful approach, Stromberg-Carlson stresses that the small to medium switch market in the US is huge.

Some 96 per cent of lines in the US are connected to smaller switches, those with less than 25,000 lines. Only 0.3 per cent are connected to the very largest switches, those with more than 50,000 lines.

In concentrating on the small to medium-sized switches typic-ally used in rural and suburban America, Stromberg-Carlson is returning to what it knows best. In its 92-year history, it has supplied many of the 1,400 companies operating independently of the Bell system and which account for about a fifth of the lines in the US. It has about 1,200 digital switches totalling almost 1,5m lines in service in these independent

acquisition, your plan may not be that detailed.

"Our aim was to get into the American market and the assumption was that we'd bring almost the size of British

switch into an American switch, it just wasn't on."

So says Ernest Jones, the Englishman who is president of Stromberg - Carlson, the Florida based telecommunications equipment subsidiary of Bell system in 1984.

By trying to sell smaller switches, Stromberg - Carlson believes it can sneak into the Bell companies while the other new market entrants, such as the West German Siemens and the West German Stemens and the Swedish Ericsson, are fighting over orders for the larger switches. "We want them to maul each other at the top end," says Ernest Jones.

#### **Bulk orders**

Stromberg - Carlson already has field trials under way for its switch from two Bell companies, BellSouth and Pacific Telesis. Plessey hopes these trials, a crucial stage in the Bell companies' way of evaluating equipment, will lead to bulk orders next year. orders next year.

the New York-based market consultancy, is impressed by Stromberg-Carlson's approach.

"Plessey has steered them back into a niche strategy and it's working." White says.

"Stromberg has more room to manoeuvre because the technical devends at the great strategy.

cal demands at the small end of the market are less rigorous."

White thinks that Stromberg-Carlson will win Bell orders because, he says, only Northern Telecom is competing vigorously at the smaller end. However, Richard Tallman,

nanalyst with California-based Dataquest, is not so sure.

He believes that "Stromberg's takeover by Plessey has given them a vision which they lacked before," but he adds:

They will have to work very hard to win mass orders in the

hard to win mass orders in the Bell companies."

A clearer perception of Stromberg-Carison's niche in the public switch market is just one part, albeit the most important, of Plessey's new strategy. There are two other main elements to its plans:

Selling Plessey products. Plessey has started exporting its payphones and lightwave transmission systems to the US through Stromberg-Carlson.

through Stromberg-Carlson.
Plessey's US subsidiary has brought it two big advantages

brought it two big advantages in these markets.

First, Stromberg-Carlson's knowledge of the complex US market and existing customer hase: "We found addressing the American market much easier than if we'd gone it alone," David Dey says.

Second, Stromberg-Carlson's name: Plessey's payphones in the US are identical to those in use in Britain, except that they carry the Stromberg-Carlson name.

Sharing development. Plessey

Sharing development. Plessey is transferring some of the technology developed for System X to Stromberg-Carlson so that the next generation of features can be added to its public switch.

While the technology flow is

mainly from Plessey to Strom-herg-Carlson, it is not entirely orders next year.

David Dey, hrought in last year from IRM to be managing director of Piessey Telecommunications, stresses how crucial the Bell orders are.

"Stromberg-Carlson still has e future without them, but it would be a very different future."

Sean White, an analyst with many off in Europe soon.

mainly from Piessey to Stromberg-Carlson, it is not entirely one-way. Piessey has learned from its US subsidiary more about Centrex, a service which offers on a public switch many of the facilities available on private hranch exchange.

Industry analysts believe that Centrex is likely to take off in Europe soon.

Sean White, an analyst with
Northern Business Information,
the New York-based market
consultancy, is impressed by
Stromberg-Carlson's approach.
"Plessey has steered them
back into a niche strategy and ing to penetrate the US market. It is already bearing fruit to the extent that the company is expected to move into profit this

Analyst Sean White believes it is much less risky than the attempt by Siemens and Ericsson to win orders from the Bell companies for large switches. However, it offers correspondingly fewer rewards.

Right now, as White says, "Stromberg-Carlson is the only European-owned supplier with a significant share of the US

a significant share of the US market and that's worth re-membering."

### What makes the cars. makes the trucks, makes the aircraft, makes the money.

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#### **TECHNOLOGY**

#### A scanner more suited to European checkouts

scanners extending only 120 mm below checkout counter mm below checkout counter level and occupying an area of only 440 x 290mm have been introduced by Specira-Physics Retail Systems.

Called Flat-Top SL, the machine can be built flush into the smallest checkout accounter ton, and still give

into the smallest checkout counter-top and still give plenty of room for the user's knees below. Spectra-Physics believes the design removes the last important constraint to using seasmers in Europe since most of the early designs were based on US practice where the check-out assistant stands up, permitting a bulky under-counter design. In under counter design. In Europe, these machines had to be awkwardly placed to ne sido of the seated posi-

The new system, flush mounted, allows items to be easily slid over the glass apereasily slid over the glass aperture, with any orientation of
the barcode label and with
98 per cent correct reading
en the first pass.

Spectra-Physics has laser
manufacturing facilities in the
US and has made 106,000
installations of previous seanners throughout the world. It
has headquarters in Darm-

has headquarters in Darm-stadt, Germany (6151 7080).

**North America** enters age of angelic cabbies By Geoffrey Charlish SUPERMARKET BARCODE

can taxi driver that someone else has a better idea than be else has a better luca than be for operating his service more efficienctly is never easy. As one Toronto operator comments: "In the cab business we're cynical about any innovation." "In the cab business we're cynical about any innovation."

However, Gandalf Technologies, an Ottawa-based supplier of electronic data communications equipment, has had considerable success in weaning cabhies from the traditional crackling radios which have holved make them a breed of their own on the road.

Taxi companies in four US citles (including New York and Indianapolis) and a handful of Canadian centres have spent up to C31m (US\$720,000) each on Gandalf's new computerised dispatch system. Gone from their offices are the antiquated conveyor belts carrying hand-

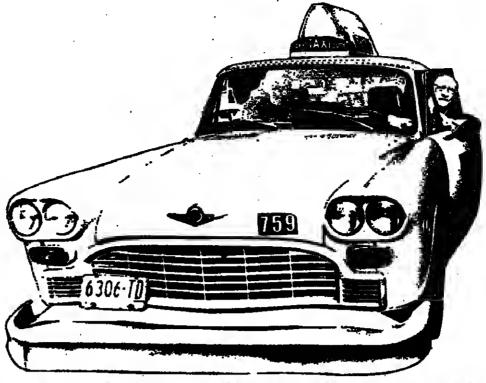
conveyor belts carrying hand-written messages from tele-phono operators to crusty

In their place are systems using hardware from DEC, tho world's second largest computer company. This allocates fares in sequence and spares passengers the irritation of

PERSUADING a North Amori- having to endure n dispatcher's rasping to enture n dispatcher's rasping voice on a radius trying to sort out squabbles among drivers chasing the samo fare.
When n fare contacts that taxi company the call is keyed into the computer. In turn calls

graphical zones.

Drivers join n computerised queue in whichever zone they choose. To identify which zones are busiest they can scroll through the data base of calls using an on-line screen in their cabs. By means of a key-pad, they can accept or reject fares allocated to them (each cab has its own identity "tag" in tha form of a chip, ensuring no driver can intercept another's messages).



Gandalf provides software to use their terminals to debit cus- drivers. With the computer suit each customer's needs. To tomers' account on the main allocating fares to drivers in cope with peak evening demand in Manhattan, Bell Radio Taxi ensuring no driver can intercept another's messages).

When a fare is offered to n cab the area in the zone is identified by the computer. If the taxi driver then accepts the fare full details are released

In Mannatian, Bell Radio Taxi

Yellow Cab in Indianapolis Yellow Cab in Indianapolis at the cut three dispatchers from its payroll, by directs a driver to two fares installing the system. Mr Richard Hunt, president of the company, says the system has fare full details are released

computer. Yellow Cab in Indianapolis

friends have dried up.
Diamond Taxis in Toronto raised its drivers' levy by C\$100 a month (to C\$285)

**US looks** to improve conservation techniques

By Peter Marsh

FROM imitation snakes that deter birds from defecating on important monuments to novel satellite techniques to detect buried archaeological remains, new technologies can play an increasing part in preserving the heritage of the US, accord-ing to that country's Office of

Technology Assessment (OTA).
The office, a research arm of Congress, points out, however, that the US has some way to go in ensuring that the right techniques to conserve ancient artefacts are made available. Often scientific methods appro-Often scientific methods appropriate to preservation have been developed for use in science and engineering but have not been adequately adapted for discovering or documenting historic remains.

In a recent report\*, the OTA claims that European countries are often further ahead in application of new ideas to enhance

cation of new ideas to enhance enjoyment of their national heritage. For instance, West Gormany has better methods for recording historical structures by such methods as photo-grammetry, or steres photo-

eologists in Britain are, Archaeologists in Britain are, according to the report, according to the report, acmploying advanced chemical and physical methods to analyse artifacts. France has developed e sophisticated airborne scanner for investigating landscapes. In preserving submerged wooden ships and ancient rock paintings, the Europeans are world leadors.

Not all technical methods MARKETPULSE

It's the best news the market's had in years.



to use the latest scientific break-throughs, says the OTA. For instance, the US National Park Service uses hidden ultrasonic devices to frighten birds, stopping them from roosting in sculptures. Artificial snakos wonders in reducing bird drop-

which appear promising are computerised storage methods. Optical disks, which can store wast amounts of data, could aid the analysis of information from archaeological digs and other surveys. Scientists can use e gamut of methods, from X-ray instruments to the use of gamma rays in analysing materials obtained from centuries old buildings, for instance.

People connected with preservation could do more to borrow engineering techniques from industry. Underwater archeaologists, for example, could benefit from a closer with the cill and

could benefit from a closer collaboration with the oil and gas exploration industry, which uses methods such as sonar techniques to look for objects such as pipelines.

Space technology has, says the OTA, much to offer. Radar scans from the space shuttles have provided interesting geological information and can also detect objects buried beneath the surface of deserts.

\*Technologies for Prehistoric

\*Technologies for Prehistoric and Historic Preservation, Office of Technology Assess-ment, US Government Printing Office, Washington DC.

### Transatlantic business travellers...

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Leading the way to the USA.

#### Japanese take different line on rail travel

JAPANESE TRAINS using linear motors, a 20-year-old British invention, will operate commercially by 1990 in the northern city of Asahikawa.

Japan Airlines developed the six kilometres (3,7 miles) system and will operate the service. It claims this will be the first truly commercial operation of such trains. About \$98m has been spent on the project.

In the basic linear motor,

the project.

In the basic linear motor, invented by Professor Eric. Laithwaite (Imperial College, London), the outside, stationary part of an electric induction motor (the stator) is laid out flat to form a continuous winding along the track. The driven part, the roter, is an integral part of a train arde which rotates and drives the train along. In modern versions, a design variation allows mag-

has no wheels) just off the track while driving it forward. A 0.62 km system has been in operation for two years in the UK. This rans between Birmingham Airport and Birmingham Intersational railway station, and was developed by British Bail Engineering at Derby. In Bolkow Blohm is operating its Transgraphd 06 on a 21 km track next to the Ems Side Canal in Germany. All the systems have the advantage of quiet, efficient running, con-suming very little energy due



CD-ROM VIEWING system in prototype form have been announced by Hitachi of Japan. These are able to retrieve high definition graphics from a compact disc and dis-play them on a high defideveloped as an image storage and retrieval system for the Japanese Patent Information Japanese Patent Information Office, the Hitachi RVC-1 viewer / controller will be available in Europe next year. A commercial version with laser printer, A4 monitor and CD-ROM (compact disc—read only memory) drive is planned for integrated image, data and graphics storage/retrieval in the office automation and electronic publishing markets. More in the UK on 61 348 8787.



as from TMS features a range normally lated with in-vehicle equipment

#### The briefcase telephone which packs more punch

BRIEFCASE equipment, put on the market by TMS of Woking, Surrey, UK (04862 30251), has the advantage that a phene call can be made from virtually any location, but with the transmitter power normally associated with a vehicle cellular telephone. Till now, to keep a personal portable to pocket size, manufacturers had to keep battery/circuit weight and battery/circuit weight and size to a minimum, reducing a unit's range compared with vehicle equipment.

Called Commiscase, TMS's unit contains a Motorola transmitter / receiver with nickel cadmium batterles for two hours continuous speech transmission. transmission, directly re-chargeable from 249 volt mains. Other "bolt-on" faci-lities include telex, facsimile, a computer interrogation unit and a phototransmitter that

MICROPROCESSOR POWER continues to rise, allowing desk-top computing systems to deal with more information

The M68939 is the latest development from Motorola, of the US. This is a 32-bit chip for which the company claims twice the performance of fis current 32-bit device, the MC68020. Technical improve-

ments on the chip have increased the power.
Software developed for previous 68000 series devices can be used with the new processor, which is aimed at the next series devices. the next generation of engineering workstations (computer-aided design for example), at advanced office automation systems and at telephone exchanges. Banl

### US TELECOMMUNICATIONS

Terry Dodsworth on investors' perceptions of a US telecom group

### GTE fails to transmit clear image

to a large degree tell the story of the changing perceptions of a company whose strategic initiatives in the last 12 months have taken the market some time to absorb.

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Two main problems have hung over the evaluation of GTE. The first is the neture or the company itself, spanning a variety of businesses, ranging from seven US regional telephone companies, to its long-distance Sprint network, a communications equipment manufacturing operation, an international lighting products company and precision materials (refractory metals, plastics, ceramics, and so on) plastics, ceramics, and so on) production.

The heart of the company is the telephone ntility, a cash cow whose virines have been highlighted by the sparkling performance of the seven regional Bell telephone companies since their liberation from the American Telephone & Telegraph (AT&T) empire. But investors seem to be continuously puzzling over the question of whether they should look at the group as a mature duesdon of whether they should look at the group as a mature utility service business; or a concern where the commitment to manufacturing and long-distance communications make it a much less predictable animal.

The second problem is uncertainty over both the investment in Sprint, the long-distance company, and the group's public telephone exchange equipment division. Both are businesses with a high content of advanced technology—fibre optics cable in Sprint, and digital switching in the public exchange operations:

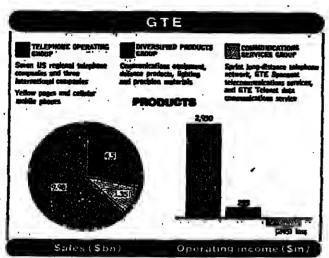
Both represent a high element sector. Many investors would Both represent a high element sector. Many investors would of risk, partly because of the be only too happy to see the rapid pace of technological group make such a divestment, change, and partly because of for Sprint is absorbing vast the intensitying competition amounts of each at the moment, that is believe replaced by the the intensifying competition that is being unleashed by the globalisation of the telecommunications market.

Mr Brophy has been in Europe recently trying to hammer home the message of GTE's underlying stability based on its three main areas of activity. Nevertheless, the recent recovery in the company's share price has much more to do with its telecommunications activities alone; and the main reason why this area of the gramp's husivers is GTE. The first is the neture area of the group's business is of the company itself, spanning being reconsidered is that the a variety of businesses, ranging from seven US regional steps to limit its risks on the telephone companies, to its more speculative elements. The most important of these

complete, the group will have the world a the advantage over its competing this area. tors of a higher quality system and lower operating costs.

While Wall Street expects esses of around \$200m on the long-distance business this year, some analysts are expect-ing a sharp reduction in the deficit next year and the posaibility of operating profits in

moves is the merger of the Sprint long-distance network in a 50/50 joint venture with the related activities of United The second step in the strategy of risk reduction is the oint venture announced with Siemens of West Germany. This



has run up heavy losses, and risks coming on to a market

deal falls far short of original expectations that it would bring together GTE's public telephone exchange switch manufacturing business with that of Siemens. This had been a concept which excited Wall Street since it held out the prospect of a graceful exit for GTE from switch manufacturing business. Under the deal that was eventually agreed, GTE remains responsible for its own switch manufacturing, leav-

WALL STREET has taken the shares of GTE, the US telecommunications group, on a dizzy years' time he expects the group to be equally active in all these areas.

Mr Brophy has been in Europe recently trying to hammer home the message of a large degree tell the story of the changing perceptions of a commany whose streams of the companies in the elephantine AT&T, with around 85 per cent of the long-distance US telephone market around 85 per cent. But Sprint's share is going up after the combination with United Telecommunications (it now stands at around the west German company whose streams of the changing perceptions of a commany whose streams of the elephantine AT&T, with around 85 per cent of the long-distance US telephone market they group to be equally active in this year, and MCI, with about they distance US telephone market is going up after the combination with United Telecommunications (it now stands at around the future, and adds that he has talked to most cable network of 23,000 miles is public switching companies in the world about GTE's future. ink with the West German com-pany in the future, and adds that he has talked to most public switching companies in the world about GTE's future At the same time, GTE has

pulled in \$420m in cash from Siemens as part of the joint venture. With only 20 per cent of the new concern against the of the new concern against the West German company's 80 per cent, GTE has extracted a cash payment for putting in its domestic and international transmissions manufacturing business, along with its overseas public switching systems, principally in Italy and Taiwan. As these collaborative ventures are sorted out, the basic strategy of GTE up until the 1990s looks roughly as follows: Debug looks roughly as follows:

Description business and precision materials will be kept on and steadily expanded. Together, they accounted for operating income of \$1.95m on sales of \$1.95m in 1985, and over the years they have proved relatively predictable operations to set against the more volatile elements of the telecommunications operations.

The regional telephone com panies, generating revenues of almost \$10bn and operating profits of \$2.9bn last year, will remain at the centre of the remain at the centre of the group's affairs. While there are longer-term threats to the stability of this business from potential deregulation of the local telephone systems, there seems to be no major near-term threat to profits, and GTE boasts one of the highest productivity records in the industry.

tions operations.

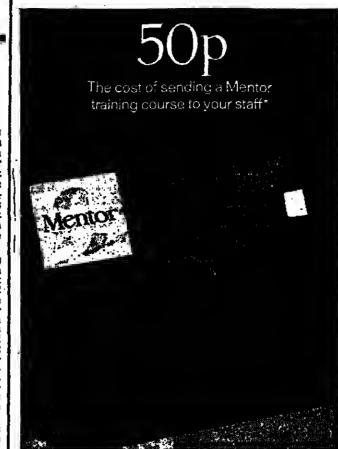
The strategy of joint ven-tures and co-operative agree-ments is likely to continue. Even for a company of GTE's size—its sales are about \$350 more than British Telecom's— the scale of investment in the next generation of telecommuni-cations equipment makes the possibility of spreading the cost an attractive one. The same goes for expenditure on fibre optics cable.

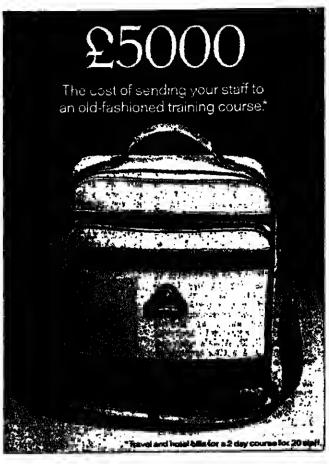
globalisation of the telecommunications market.

Mr Theodora Brophy, GTE's precisely-spoken, 63-year-old chairman, readily concedes that. Street has begun to see the fine group does not have a particularly clear public image, at the very least, limits GTE's But at the same time he says that it has a very definite idea of what it is and where it is going. It has three main term payoff.

South and the telecommunications market.

Wall keep over-capacity will keep on switch manufacturing, leaving open the question of its approach to the development of the next generation of switches. Investments in this equipment will be so large—estimates to the research and developments can ment cost of the new generation of world telecommunications groups. But in the high ment cost of the new generation of world telecommunications groups. But in the high ment cost of the new generation of a company overnight, one of the accompany of GTE's size. The most important strategic issues is to maintain flexibility.





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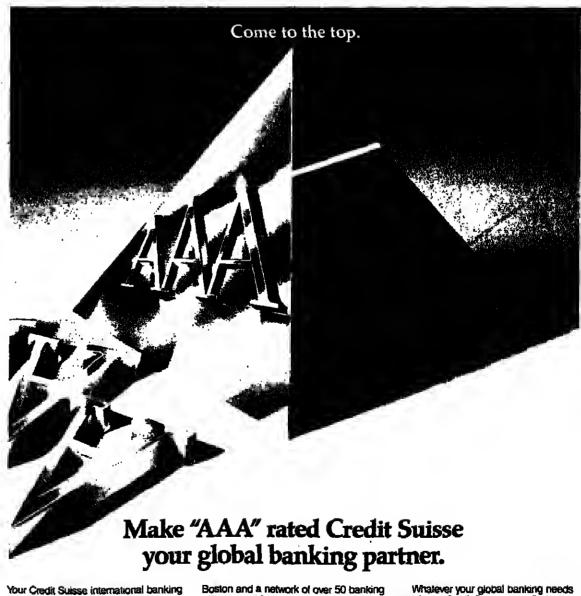
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John Elliott on the new structure of an Indian business giant

### Shake-up keeps Birlas in control

A SHAKE-UP of complex family financial holdings is taking place inside the Birla industrial empire, one of Indies two largest groupings of companies. The changes come three years after Mr G. D. Birla, the undisputed head of the family, died at the age of 89.

The reorganisation will for

died at the age of 89.

The reorganisation will for the first time give companies to some daughters in the maledominated empire. It is aimed at sorting out questions of ownership and succession, and at evoiding some of India's restrictive industrial controls, while Mr G. D. Birla's sons are still alive and ective enough to

restrain any family squabbles. The plan, which could result in herty capital gains tax payments, has yet to be finalised in all its financial details. It will involve all members of the family selling a network of cross holdings in one anothers' companies during the next two

or three years.
Six or seven separately owned
Birla groups of companies will
then emerge. These will broadly
follow and formalise existing ines of managerial control. At present there are about seven almost independent managerial groups which are financially inter-dependent because of cross share holdings.

The groups cover assets conservatively estimated to exceed a total of Rs40bn (\$3.2bn) and have a total turnover of roughly the same amount. The Birlas typically own 30 to 40 per cent of the court in each company. of the equity in each company. The size of the business firmly places the Birlas as rivals to the Tata empire as the largest industrial grouping in India and also makes them the largest of India's leading Marawari caste of businessmen. The Marwaris are often criticised for being unscrupu-



Mr Aditya Birla (left) and his late grandfather, Mr G. D. Birla

Indian industry and fill a joint venture power station in majority of the top managerial the state of West Bengal, and posts in the Birla companies, others are moving into banking where they operate strict finan- and consumer products.

where they operate strict financial control system called partha, based on daily profits reports to Birla family members.

The Birlas own companies straddling textiles, cement, engineering, petrochemicals, fertilisers, motors, shipping and newspapers and other industries. They have link-ups with countless international companies such as General Motors, Isuzu, Yamaha, Taylor Instrument, Brown Boveri, Lurgi, Philips Petroleum. They have set up a string of the split while Mr B. K.'s generations. That view has now changed.

Inevitably there have been rumours of similar splits among the Birles since the death of Mr G. D. Birla removed a major unifying force. None of the next generation of males now in their 60s and 70s, has emerged to take on his role. Mr B. K. Birls exerts a quiet authority as an elder of the family, but he is not an extrovert and could not, as the youngest of Mr G. D's three sons, take on the mantle. Mr L. N. Birls, 76, the eldest son, is an even more re-tiring figure and has not estab-lished himself as one of the family's mein industrialists. The

family's mein industrialists. The middle brother, Mr K. K. Birla, 68, is more of an independent and is both a sizable industrialist and a member of parliament in Mr Rajiv Gandhi's ruling Congress Party. Also in this generation is an important cousin, Mr G. P. Birla, 64, who would not, however, qualify since he is not a direct descendant of Mr G. D. Birla.

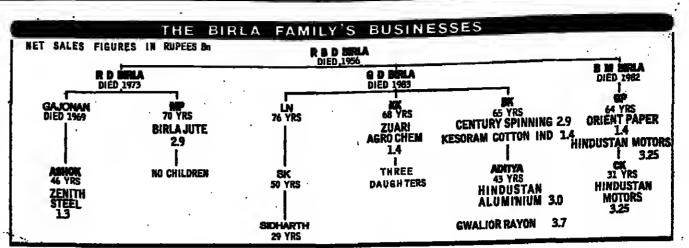
Some of the rumours of dissent have centred round possible jealousy over Mr Aditya Birla,

sent have centred round possible jealousy over Mr Aditya Birla, the most successful member of the younger generation. He has been a member of the board of the Reserve Bank of India for the past four years, and is a significant industrialist in his own right. Some other branches of the femily here here less of the family have been less successful and there have been questions over who would be given some of Mr G. D.'s com-

Yet there is no evidence of any serious acrimony among leading members of the different generations in the current operation, which appears to have been instigated in the interests of harmony and industrial efficiency by Mr B. K. Gwalior Rayon (rupees 3.7bn sales), Birla. He stresses that family ties, though lesser than in his father's day, will continue. "I century Spinning and Gwalior sayin, and interests in Kenya, which is biggest joint venture overseas, along with other are considering plans to expand into petrochemicals.

Next there is in Kenya, which is biggest joint venture overseas, along with other are considering plans to expand into petrochemicals.

Next there is Mr K. K. Birla's proup, where the biggest conspanies are Zuari Agrochemical, with sales of Rsl.4bn, and textiles, with turaover



expect that in the future, when we have done all this, there will be the same if not greater affinity between us," he says.

Mr G. D. Birla exerted his authority indirectly. Younger members came to him with their ideas and what he said hadian explosives offshoot. Abroad he has substantial textured his authority held sway. In 1979

Aditya, then 36, wanted to break new ground by issuing Indonesia, Thailand and the panies, India Steamship and burgs, bankers, India Steamship and its leading daily news debentures for one of his combe the same if not greater affinity between us," he says.

Mr G. D. Birla exerted his authority indirectly. Younger members came to him with their ideas and what he said usually held sway. In 1979 Aditya, then 36, wanted to break new ground by issuing debentures for one of his companies, Mr B. K. objected when consulted, but was won over

consulted, but was won over. The biggest of the groups within the family empire is that of Mr B. K. Birla and his son, ot Mr B. K. Birls and his son,
Aditys, who operate separately
on a day to day basis; Mr B. K.
from Calcusts and Mr Aditys
from Bombay. Although they
will not confirm any figures,
their combined assets are estimated to be in the region of
rupees 200m or more, and they
run three of India'e top 10 companies measured by assets—

The next biggest group in the family is thought to be that run by Mr G. P. Birla and his 31-year-old son C. K., who is regarded as one of India's most garded as one of India's most capable younger businessmen. Their biggest company is Hindustan Motors, which has sales of rupees 3.2bn and is modernising its automotive products with Ismu cars and trucks from Japan. Caterpillar tractors from the US and transmissions from General Motors.

They also rup Pan Africa

run three of India's top 10 companies measured by assets—
Century Spinning and Gwalior
Rayon, both textile businesses with assets of over Radon, and Kesoram cotton with Razon.

Mr B. K. controls Century
Spinning, with a rupees 2.9bn into petrochemicals.

papers. Mr K. K. has no sons and Mr K. K. has no sons and helped spark the current shake up in the family by announcing he intends to pass on some of his companies to his three daughters, Shabhana, Nandini and Jyoti. When this happens, the companies involved will formally leave the Birla fold and become part of the husbands' families which include the Poddars, another well-known Calcutta-based Marwari family.

A smaller group is run by

A smaller group is run by Mr M. P. Birla, who has no children and is setting up a trust for his companies which include Birla Jute, with assets approaching rupees 3bn, one of the top 15 companies in India. Another smaller group is run by Mr L. N. Birla and his son Mr S. K.

Finally there is a rapidly growing engineering and tex-tiles group run by Mr Ashok Birla, 46. He runs Zenith Steel one of the higgest Birla com-

launched an electric generator joint venture with Yamaha of Japan and is tring up with Warburgs, the British merchant bankers, to set up an international investment fund.

In all these groups—almost In all these groups—amost all of whose investments are profitable—it is the older companies which will be most involved in the planned transfer of shares because there has been less cross-investment in the past 10 to 20 years.

Three closely held corpora-Three closely held corpora-tions hold many of the invest-ments and are to be run by the direct descendants of Mr G. D. Birla—Pilani Investments to be run by Mr B. K. Birla, Sutlej by Mr K. K., and J. C. Mills by Mr S. K. as heir to Mr G. D.'s other son, Mr L. Nn Birle. One or two companies—such as Birla Brothers — may remain jointly owned, though this has yet to be decided.

At the end of the operation, the Birlas hope that they will escape some of the controls of the monopolies and restrictive trade practices act which was extended two years ago to catch cross-investments, making expansion difficult in many industries where the family as a whole has a dominant interest.

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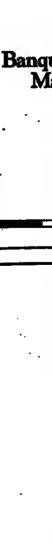
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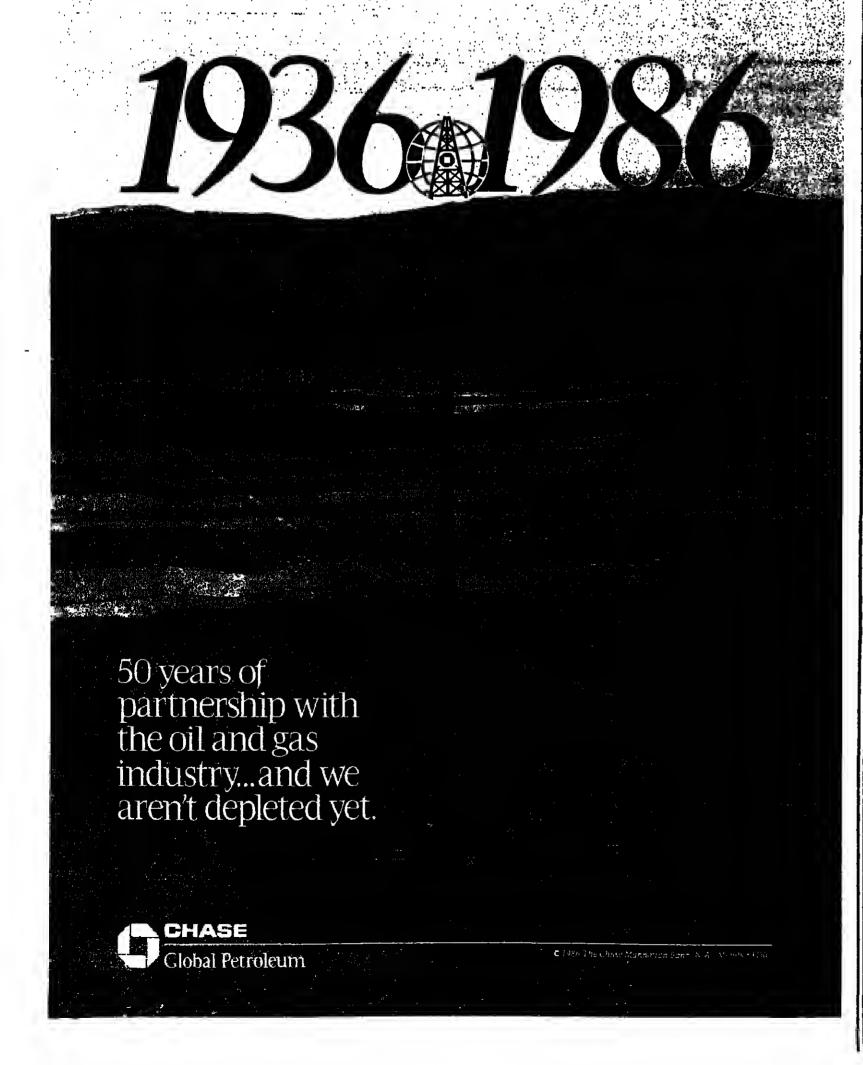
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Agent SOCIÉTÉ GÉNÉRALE MERCHANT BANK pic



### **Row halts** all Austin Rover car ON IND LA CREETING ASSEMBLY HINDUSTAND

By Arthur Smith

daesday October 1

AUSTIN Rover haited all car as-sembly and laid off 12,000 workers last night as the industrial trouble escalated at Lucas Electrical, the

At Cowley, Oxford, production of the Maestro, Montego and new Rover 800 executive saloon was stopped and 4500 employees sent

home.
At Longbridge, Birmingham,
e, where the Metro, Mini and Rover
200 assembly lines have been allent
since Friday, 6,500 have been told
not to report for work. A further
1,000 workers have been laid off at

satellite plants. The number of workers made idle will rise as the shortage of supplies from Lucas bring all Austin Rover production progressively to a stand-

Mr Les Wharton, the new Austin Rover managing director, issued his first public statement yesterday his first public statement yesterozy his first public statement yesterozy reflecting the company's anger at the disruption to production when it is seeking to build up stocks to attack markets in Europe and the US.

It is for Lucas to put its own the first public first public statement yesterozy at the disruption to production when it is seeking to build up stocks to attack markets in Europe and the US.

It is for Lucas to put its own the first public statement yesterozy at the disruption to product a statement yesterozy at the first public statement yes at the first public statement yes at the first public statement yes at the first publ ing its long-term relations with Lucas with a view to finding an altern-

ative supplier. As the ultimatum to Lucas with the state of being issued, some 600 Lucas workers at Cannock, Staffordshire walked out on strike in protest at work a colleague was required to the same do. Shortage of car lights from Can-

tin Rover shutdown. No Lucas contracts are thought to be at immediate risk. But Austin Rover is clearly annoyed the com pany has not taken action sooner to settle a pay dispute which has dragged on months beyond the re-

new date of July 1. Workers have been imposing at overtime ban and work to rule, for some weeks at many of the 10 Birmingham factories of Lucas Electrical, a subsidiary of Lucas Indus-

The company insists that in its present circumstances it cannot afford to improve upon a productivity related pay increase of around five

per cent. Indeed Incas has refused further negotiations until the present in-dustrial action is called off.



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### Traders prepare for Big Bang qualifying tests

EXAMINATION BOOTHS on the multi-choice questions. However have to pass a multi-choice exami- a week ago.

1,000 and 2,000 traders and stockbrokers who give advice to investors will have to take the examination to comply with the new stock
exchange rules. Several more thousand are expected to take the exhave been trading or giving investwent advice for at least two years amination next year when the stock ment advice for at least two years.

At present, the only people required to pass an examination are change's examinations and educations applying to be stock exchange tional training manager, estimates members. But from October 27, all that 11,000 to 12,000 of the 15,000 those engaging in securities trans-employees of stock exchange firms actions on behalf of exchange member firms will have to obtain an ex- Of these, nearly 5,000 are members emption, or pass a 90-minute multi-choice examination of 75 questions granted an examption. So far, of the

21st floor of the London Stock Ex-they do not have to pass the exami-change building are awaiting a rush nation until December 31. The ex-of several hundred traders who will amination booths were first opened

nation in order to confirme operating in the market after the Big selected out of a data bank of 1,000. Being reforms of the City's financial Special crash courses are now be-Special crash courses are now becommunity on October 27. ing offered by the City University
Before the year-end, between and the Henley management col1,000 and 2,000 traders and stocklege, for which more than 1,000 peo-

exchange merges with the Interna- However, all newcomers to the tional Securities Regulatory Organistics exchange in future will have . to pass the examination.

Those giving investment advice remainder only 26 people have or contacting potential investment passed the examination. But a such clients will have to pass a three-is expected as the first deadline aphour examination and answer 150 proaches on October 27.

### Cable fracture cuts off City telephone lines

FINANCIAL TIMES REPORTER

BANKING, FINANCE and stockhroking firms in the City of London
will be cut off from the outside
world for "several days," after The breakdown, which could be
builders yesterday drilled through a
disastrous for the firms concerned,
happened when builders working

bulk of their trading over the tele-phone - in the City's 480, 481 and 88 dialling code areas were thrown into chaos after the cable was bro-

Rritish Telecom has assigned engineers round-the-clock to mend the cable as soon as possible, but it be pos

has warned that it will be several

on a site at the junction of Mansell St and Shorter Street, near Tower Hill, accidentally severed a cable carrying 3,200 telephone lines.

BT said the company was looking at the possibility of using an emer gency unit to reconnect subscribers but it was not sure yet if this would

### Selective pay rises urged by CBI chief

BY HAZEL DUFFY

tor general of the Confederation of British Industry (CSI), yesher-day urged outployers facing skill, shortages to keep pay these selec-tive and not extend them across

in Billingham, north cast Eng-land, Sir Terence said: There land, Sir Terence said: There should be no drift towards re-warding all employees indiscri-minately. The simply bids up the general level of pay increases without tackling the key problem of relative rates of pay."

He advised: "Firms need to in-dentify where the difficulties oc-

my and competitiveness over the past year, and draws attention to forecasts to be taken into account before actifing pay in the. coming year. In particular low inflation and tax ch the CBI argues that employees used less than 1 per cent rise in income to maintain their stan-

derd of living.

Sir Terence said yesterday that if pay and productivity could be brought into line over the next year, infinition of below 2 per cent year, infinition of below 2 per cent would be possible by the end of next year and even zero infinition

ess (TUC) and oppo

### **British Coal reduces** redundancy payments

BY CHARLES LEADBEATER, LABOUR STAFF

rent government financed redundaut mineworkers payments scheme To qualify fi offers such generous benefits that it der the current scheme miners will has weakened many miners' comhave to be given redundancy nomitment to the industry. Officials tices by the end of December to alare concerned that the outflow of 'low them to work out their notice miners attracted by high redundancy payments has created an "un-healthy ethos."

the industry has risen from 8,000 in redundancy less attractive for 1982-83, to 30,000 last year. British Coal is also concerned

lam, the chairman of British Coal, ential between the mid-point pay-

restructuring programme enacted doubled.

after the 1984/85 strike will be completed over the next the pletad over the next two years.

Seven pits have been closed in the first six months on this finan-received weekly benefits equivalent

per cent to £560m. British Coal will for miners over 30, £450 for such finance the new acheme, but it did service between ages 21-29, and not release figures for what finan- £250 between ages 16-20.

BRITISH COAL yesterday announced that redundancy payments to miners will be significantly reduced from March 1987 in an effort to stem the haemorrhaging of manpower from the coal industry.

British Coal would be able to offer such generous payments, the replacement scheme compares favourable with the best schemes in other nationalised industries, and the

To qualify for the payments up-

Payments for miners of all ages will be reduced but the British Coal The number of miners leaving scheme will be weighted to make

1932-83, to 30,000 last year.

British Coal is also concerned that many young miners have taken redundancy in the last year. The outflow from the industry has created skill shortages at some pits.

The scaling down of the scheme that many form £5,000 will be cut by over 60 per cent. The difference the cut by over 60 per cent. The difference that the chairman of British Coal. that it will not need such a gen- ments and the sums available for

Under the government scheme miners were given £1,000 for each cial year, compared with 27 in to about 95 per cent of take home 1985-88.

1985-88. pay.
In the last financial year the The new scheme will only offer costs of the government scheme, hump sum payments based on £700 which was set up in 1968, rose by 79 for every complete year of service which was set up in 1968, rose by 79 for every complete year of service

#### Pledge to Government to create speed up city technical colleges sell-offs by state

PLANS to set up an initial 20 city technical colleges (CTCs), funded by Government with private sector sponsorship, were announced yes-terday by Mr Kenneth Baker, Sec-THE MOMENTUM of the Government's privatisation programme is to be accelerated, Mr Norman Laretary of State for Education

He also gave a strong warning to the "consolidators" in the party and the Government that the Conserva-

public expenditure. He gave a veiled hint that if they failed to do

this, they could lose the general

Mr Baker, in a well received speech, was replying to the educa-tion debate in which the Governmont, Financial Secretary to the Treasury, promised yesterday.

Mr Lamont was replying to a de-bate on privatisation in which delment was called upon to give the highest priority to raising educa-tional standards at all levels. egates had made calls for many privatisation including that of the coal industry, British Hall and the Bolshevik Broadcasting Corporation of the new schools for 11 to 18-year-olds came condemnation of sex education in some location of the new schools for 11 to 18-year-olds came condemnation of sex education in some location.

the Government had sold off busision to remove sex education from the control of teachers and local aunesses - including British Telecom, Cable and Wireless and British Aerospace - worth Elba. "In this Mr Baker said that, with the year and each of the next two years we intend to sell businesses worth backing of the Prime Minister, he intended to launch a pilot network

£4.75bn per year," be said.

The flotation of British Gas, he said, would be the biggest on any stock market in the world. Next year British Airways would be privatised, followed by Rolls-Royce and the British Airports Authority.

He said: "By the end of 1987 no fewer than 800,000 workers will have moved from the public to the private sector and the state sector of industry will have been reduced by over two-fifths. I can assure you that we have a

full programme not just to the end of this parliament but for the next one too, when we shall continue to privatise the remaining state enter- vices by private tender was foreshaprises, including of course the wa-dowed yesterday by Mr Nicholas ter authority."

Ridley, the Environment Secretary.

provoked criticism from Mrs Caro-Edwards (Chertsey and Wal-who said: What possible ex-policies, including more privatisaton) who said: What possible expolicies, including more privatisa-cuse could there be of delaying this tion, and ignore calls for higher vital step? She urged that its privatisation should be quickly undertak-

Conservative Party at Bournemouth

ability children; government financ-ing, but run by educational trusts, not the local education authority; and an emphasis on technology, science, business studies and design in the curriculum. Schools will cater for approximately 750 to 1,000 pupils, with the first planned to open in 1985.

Government's new technical vocational educational training scheme - the initiative of Lord Young, the Employment Secretary which next year will be extended nationally at a cost of £90m a year. of CTCs in urban areas, including the inner cities. They will widen parental choice in the urban areas Mr Baker's mention of sex education, and in particular the Inner London Education Authority's

parental choice in the urban areas stance on homosexual enutation, covered by the network" he said stance on homosexual enutation. They will increase the range and roused Tory passions in the conference and contrary to some opinion be rejected the idea of it is most needed. In the party, he rejected the idea of Features of the new schools will allowing parents an absolute right include: free education for mixed to withdraw their children from sex

Councils 'must contract out'

"Since many authorities have not

to force them to run their busi-nesses more efficiently," he said in

answerable to an annual parents'

The schools will be in addition

will be included in the Queen's specify which services he had in Speech for the next session of par-nind. But he gave an indication iament in November, and Mr Rid-when he said that the Government

ley will be giving more details when had already acted on direct labour he replies to the local government departments and on bus services.

delivered we had no alternative but had included six possible areas

He recalled that the Govern-ment's consultation on the subject

bad precedent and difficult to ad-

"So I intend to strengthen the deguards in the Education Bill. Control over sex education will be removed from teachers and local authorities and given to the new-style governing bodies which will

The governing bodies would de-cide what sort of sex education there should be in a school and whether particular parents could withdraw children from sex educa-

On pay, Mr Baker said the Government was ready to help finance a pay deal with teachers but he and did not relax Government policy on issues such as cover for ab-

Several speakers alimied to the need for more resources in schools. Mr David Evans (Montgomery) spoke of the need for new initia-tives and said: "Let us be under no

nal taxation.

In a characteristically tough at-tack on the Labour Party, Mr Tebhit criticised its non-nuclear defence policy which he said was bound to fatally undermine Nato. Mr Kinnock, he claimed, had last LEGISLATION to compel local an-election as they had in the two elec-a toughly worded speech at a fringe thorities to contract out more ser-tions of 1974 which were fought on meeting of the right-wing Selsdon "consensus" policies. Group.

The proposals on contracting out The Secretary of State did not week "discovered morality and

He asked what sort of morality was it that undermined the Alliance

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### **Tebbit** tells party to keep its nerve

MR NORMAN TEBBIT, the Conservative Party chairman, yester-day called on the Government and supporters to keep its nerve in the fight to "rescue Britain from the dreary failures of socialism."

Mr Tebbit, in a passionate and

sitive restatement of Conservative ideals which brought a stand-ing ovation, said that the Govern-ment had succeeded best when it had been radical and brave. It was engaged in a crusade to rid Britain socialism and it had to ensure that its resolve did not desert it when its efforts were beginning to

Mr Tebbit called on the next Conservative government to pursue another round of radical reforms designed to liberate more state industries, to invigorate public services with competition, to continue the fight against inflation until it had been eliminated and to cut further

The Conservatives, he claimed represented the only credible party of government and had to continue

to create a climate for enterprise claimed it for himself."

which had kept safe the peace in Enrope, that proposed "to restore the tyranny of the closed shop and the viciousness of rent-a-mob pick-eting, or talks about the fight against crime but puts the hand-cuffs on the police and not the criBY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE NUMBER of time-consuming The main rule on jurisdiction will court hearings about which country be that a defendant should be sued has jurisdiction to try particular in the country in which be is domidisputes will be reduced after January 1 next year.

On that day the 1968 Convention on Jurisdiction and the enforcement of judgments in civil and commercial matters will become a part of the English legal process.

Yesterday the UK ratified the convention, the other parties to which are Belgium, Denmark, France, Germany, Italy, Luxen-bourg and the Netherlands.

Apart from laying down rules enabling courts to determine who has jurisdiction, the convention will make it easier to enforce judgments obtained in one country in another.

There will be a simple registra-tion procedure that will equate, for example, an English commercial court judgment with a judgment in a French or Italian court for enforcement purposes.

ciled or, in the case of a company, in which it is incorporated or has its

At present it is not uncommon for English courts, particularly the Commercial Court, where there is a very high proportion of non-British litigants, to be bogged down with pre-trial disputes about which is the most convenient jurisdiction for the

After January 1, at least as far as convention countries are concerned, the judge will simply have to refer to the rules to dispose of the

The Government believes that the convention will have a major application in motor accident claims. A British tourist involved in an accident in France would be able to sue a French driver in Britain and enforce any damages award through the French courts.

### Ruling for courts Importers boost share of truck market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MAJOR SALES increases by Daimler-Benz of West Germany and Nis-san of Japan helped boost the importers share of the UK commercial vehicle market last month to within a whisker of the record.

Imports took 41.3 per cent of total registrations, compared with 35.21 per cent in September last year and the record 41.6 per cent in April

Daimler-Benz, the Mercedes company, overtook Leyland, the state-owned Rover Group subsidiary, in the medium and heavy truck sector to take second place behind the

registered, up from 532 in Septem-ber last year, against 690 Leyland trucks, down from 851.

Iveco Ford had a good month be- year, 4,028 (4,682). cause a dealer incentive campaign on the Ford Cargo came to a climax. As a result 992 Cargos were sold commercial vehicle sales in Sepagainst 760 in the same month of tember were up by 4.76 per cent 1985 and the combined Iveco Ford registrations in September -1.521 - year to 26,609. Registrations for the accounted for 30 per cent of the sec-

Some 696 Mercedes trucks were 7,052 (6,733) Mercedes 5,644 (4,858) nine months its registrations have mercial vehicle sales now that it is egistered, up from 532 in Septemand Bedford, the General Motors nearly doubled from 3,240 to 6,820. receiving a smooth flow of vans subsidiary which is quitting the truck business at the end of this

> According to the Society of Motor Manufacturers and Traders, total first nine months were 0.73 per cent pick-up, with a gross weight of

nearly doubled from 3,240 to 6,320. receiving a smooth flow of vans. The trend continued in September from Nissan's subsidiary in Spain, with Nissan heavy van sales up Motor Iberica, which produces the from 429 to 806.

performance last year when there was irregular supply. The company points out that the Nissan Cabstar

Vanette and the Ebro Trade van. The UK importer says that this is Total heavy van sales last month partly due to a recovery in sales of were 11,105, about the same as in Japanese-built vans from a poor September, 1985, while for the nine months they fell from 97,192 to

Light van registrations in Sep-tember increased by 13.4 per cent to ahead at 225,439 with the importers
For the first nine months of 1986, taking 40.14 per cent against 36.65 of the 41,397 tracks registered (down from 41,471) lveco Ford accounted for 8,148 (8,705), Leyland

ahead at 225,439 with the importers nearly two tonnes, has no competition in the UK and it expects to sell 3,500 this year against 1,700 in 1985.

This year the privately owned importers to the first of the 41,397 tracks registered (down from 41,471) lveco Ford accounted for 8,148 (8,705), Leyland

This year the privately owned importers the first of the 1,547 tracks registered (down from 41,471) lveco Ford accounted for 8,148 (8,705), Leyland

### Vote today on terms for peace at Wapping

By Helen Hague

PRINT WORKERS belonging to the National Graphical Association (NGA) who were sacked by Mr Rupert Murdoch's News International will vote today on the company's terms for ending the eight-monthold Wapping dispute - only hours before the company's deadline for

The decision to delay a decision until today was taken by a meeting of 800 NGA members last night. It decided to take no action on a union leadership proposal which sought to transfer to the NGA national council any decision on whether to end or continue the dispute.

More than 6,000 print workers lost their jobs when News Interna-tional transferred three of its national titles from central London to a high-technology plant at Wapping in London docklands.

of the dispute, and that the national council should not be given the au-thority to make a decision on their

### Hambros backs merger plan for insurance brokers

BY DAVID LASCELLES

C. E. HEATH and Fielding Insurance, two prominent UK insurance brokers, are engaged in merger talks, it was announced yesterday. If the talks are successful, the combined company would end up being more than 20 per cent owned company is owned by members of

the management and their families.
Under the terms being negotiated, C. E. Heath would buy Fieldings on a share for share basis. But the merged operation would be managed by Fieldings of the six months which ended on September 30, and for the full year ending next March. Last year the considering listing its shares on the stock exchange before receiving the next of the full year ending next March. Last year the commerged operation would be man-aged by Fieldings.

It is understood that Heath,

by Hambros, the merchant banking whose profits have been hit by a degroup which currently owns 81 per cent of Fieldings and is in support of the merger plan. The rest of the merger plan. The rest of the merger plan. The rest of the merger plan and Hambros with a view to a by Mr R. W. Fielding. In the last calshares have recently been trading merger. Yesterday's announcement endar year it earned £4.3m pre-tax, around 450p, down from a year high

pany earned £30m (\$43m) before approach from Heath.

In the deal, Hambros would ex-

52.95

23 012

36 883 9 868

28 915

On behalf of the board A. J. Wright
C. T. Fenton

of 703p. Aside from creating a larger and stronger insurance broking group, the intention of the merger is to improve the breadth of insurance services which Hambros offers through its growing non-banking business, particularly in the housing market. The group now owns Countrywide, the UK's largest chain of estate agents, which it uses

Print workers argued last night

Group Gold Mining Companies' Reports for the quarter ended 30 September 1986

Quarter

#### **Driefontein Consolidated**

**Driefontein Consolidated Limited** 

UED CAPITAL 102 000 000 shares of R1 eac	ar, runy	paret.	
		Quarter	Quant
		ended	ende
		30 Seps. 1986	30 Ju 19
OPERATING RESULTS		2300	250
Gold - East Driefontein			
Ore milled (t)		705 000	705 O
Gold produced (lgg)		7 120,5	6 550
Yield (g/t)		10,1	9
Price received (R/kg)		30 075	24 0
Resence (R/t milled).		304,23	234,6
Cost (R/t milled)	· · ·	91,29	86,0
Profit (R/t milled).	-, • •.	212,94	137.
Revenue (8000)	-	214 485	157 9
Cost (R000)	: : :	64 360	61 0
Profit (8000)	• • • •	150 125	96 90
Gold - West Driefontein			
Ore milled (t)		720 000	720 00
Gold produced (kg).		8 064,0	8 135
Yield (g/t)		11,2	11
Price received (R/kg)		29 856	24 0
Revenue (R/t milled).		334.85	272.4
Coer (R/r milled).		101,90	96,
Profit (R/t milled)		232.95	176,1
rione (or massoy i i i i i i			
Revenue (R000)		241 009	196 I
Cost (R000)		73 364	69 30
Profit (R000)		167 725	126 80
Plott (ROO)		107 723	120 00
Uranium Oxide			
Pulp treated (t)		239 265	223 30
Oxide produced (ltg)		20 773	22 31
Yield (kg/t).	• • •	0,087	aro
FINANCIAL RESULTS (ROOD)			
Working profit Gold		317 850	223 71
Profit on sale of Uzunium Oxide and Sulphus Nex tribute royalties and standry mining new		1 021 3 383	1 67 2 15
Net mining revenue	. <b>.</b> .	322 254	227 54
Net man mining revenue (group)	<b>.</b>	21 <b>6</b> 56	23.36
Profit before tax and State's share of profit		343 910	250 92
Tax and State's share of profit		220 058	141 19
Profit after tax and State's share of p	rofit .	123 852	109 73
			****
Capital expenditure	: : <b>:</b>	27 944	38 33 193 80
CAPITAL EXPENDITURE. The unexpende expendance at 30 September 1986 was R571.5			
DIVIDEND. A dividend (No. 26) of 190 cents   1986 and was paid to members on 6 August 1		wan declared	on 10 Jun
SHAFTS			
EAST DEIEFONTEIN			

EAST DRIFFONTEIN No. 4 Shaft-E. The equipping of this shaft has been completed. The head gear No. 5 Sub-Vertical Shaft-E. Full scale stoking was commenced and the shaft

No. 6 Tertiary Shafe-W. The shaft has been equipped and is heing No. 7 Shafe-W. The shafe was sunk 155 metres to 2 depth of 1 660 metres below

was sunk 40 metres to a depth of 66 metres below collar on 22 Level.

cultar. The excavation and support of 20 Level station was completed.

No. 8 Shaft-W. The shaft was sunk 174 metres to its final depth of 894 metres below collar. A Level station was excavated and supported. The excavation of 6 Level station has commenced.

On hehalf of the hourd R. A. Plumbridge C. T. Fenton } Directors 7 October 1986

Vlakfontein Visitiontein Gold Mining Company Limited

(Registration No. 05/06155/06) ESSURD CAPITAL: 6 000 000 shares of 20 cents each, fully paid,

OPERATING RESULTS Gold Ore miled: from surface dumps (t)	71 939 138 061 210 000
Ore milled: from surface dumps (t) 61 623 from outside sources (r) 148 377	138 061 210 000
from surface dumps (t)	138 061 210 000
from outside sources (t)	138 061 210 000
from outside sources (t)	210 000
- 1 - M. 143	MARKET A
Total milled (t)	
Gold produced (kg)	255.6
Yield (g/t) 1,1	1,2
Price received (R/kg) 30 542	
Revenue (R/s milled)	29.96
Working cost (R/t milled)	15.49
Rock purchased (R/s miled) 9,06	
Profit (R/t milled) , 6,33	4.13
Revenue (1900) 6 898	627
	3253
Working cost (R000) 3 667 Rock purchased (R000) 1 902	
Mock Distributed (MARILE	200
Profit (R000) 1 329	868
FINANCIAL RESULTS (ROOD)	
Working profit Gold	268
Net sundry revenue	699
Profit before tex	1 567
Formula tor	573
Non-mining tax 135	167
TOTAL STATE OF THE	
Profit after tax	827
Net surface capital expenditure	6
Dividend	2 700
CAPITAL EXPENDITURE. There were no capital expenditure on 30 September 1986.	unitments at
DIVIDEND. A dividend (No. 80) of 45 cents per share was declare 1986 and was paid to members on 6 August 1986.	d on 10 june
On behalf of the b	oard
A. J. Wright	1
7 October 1986 C. T. Fenton	Directors

#### Venterspost Venterspost Gold Mining Company Limited (Registration No. 05/05632/06)

ISSUED CAPITAL: 5 050 000 shares of RI each, fully paid.

7 October 1986

												ended	ended
												30 Sept.	30 June
												1986	1986
OPERATIN Gold	G RESUL	15											
Ore mi	lled (t) .											390 000	390 000
Gold p	roduced (b	Æ).										1 545,7	1 442,7
	g/t)											4,0	3.7
Price n	cocived (R/	kφ)										29 820	24 168
Revenu	e (R/t milk	zJ).										118.42	89,53
Cust	(R/t milk	<b>d)</b> .										86,05	80.67
									-	-	-		
Profit	(R/t milk	sd).	•	•	•	•	•	•	•	•		32,37	8,86
Revenu	e (R000)		_	_		_	_	_		_		46 182	34 9/7
Cusz			•	•	:	•	:	•	•	•	•	33 559	11 161
-	(1200)	•	•	•	•	•	•	•	•	•	•		
Profit	(R000) .							•				12 623	4 456
FINANCIA	L RESULTS	5 (F	200	D)							•		
	profit: Gold				~							12 623	3 156
Not sund	y revenue		•	•	•	•	•	•	•	•	•	1 538	1 509
Profit bed	on: tax								٤,			14 161	4.905
Tax			•		٠	•	•	•	•	-	-	8 254	(591)
												5 907	5 550
Profit af	ter tex	•											
	tertax nendane											577	2 140

On behalf of the burnt

Directors

### Doornfontein

CAPITAL EXPENDITURE. The intexpended balance of authorised capital expenditure at 30 September 1986 was R59,3 million. DIVIDEND. A dividend (No. 71) of 245 cents per share was declared on 10 June 1986 and was paid to members on 6 August 1986.

PRODUCTION. A fire was detected on 30 August 1986 in a Ventersdorp Contact Red stope on 20 Level in the Harvis-Watt Shaft area. The fire zone has been sealed and stoping contactors moved to other areas of the mine. Approximately 10% of the mine in a high grade area has been affected.

No decrease in the manage milled is expected but a reduction in the overall mine guide has been experienced. A claim for loss of revenue will be submitted to the company's insurers.

Libanon

Libanon Gold Mining Company Limited. (Registration No. 05/08381/06)

ISSUED CAPITAL: 7 937 300 shares of RI each, fully paid

OPERATING RESULTS

Ore milled (r)
Gold produced (kg)
Yield (g/t)
Price received (R/kg)

PINANCIAL RESULTS (R000)

7 October 1986

Profit after tax and State's share of profit .

ontein Gold Mining Company Limited (Registration No. 05/24709/06) ESSUED CAPITAL: 10 000 000 shares of RI each, fully poid.

	30 Sept.	30 June
	1986	1986
OPERATING RESULTS		
Ore milled (t)	366 000	366 000
Gold produced (kg)	2 086,2	2 195.2
Yield (g/t)	5,7	6,0
Proce received (R/kg)	30 542	23 722
Revenue (R/t milled)	174,38	142,49
Cost (R/t milled)	114,57	104,43
Profit (R/t milled)	59,81	38.05
Revenue (R000)	63 822	52 147
Cost (R000)	41 932	3R 220
Profit (ROOO)	21 890	13 927
FINANCIAL RESULTS (R000)	<del>*************************************</del>	
Working profe: Gold	21 890	13 927
Net sundry revenue	2 598	3 447
Profit before tax and State's share of a	mft 24 488	1754
Tax and State's share of profit	4 999	(5 001)
Profit after tax and State's share	of profit . 19 489	23 0.45
Capital expenditure	12 553	20 05*
		I-i 500

te at 30 September 1986 was R121,9 million. DIVIDEND. A dividend (No. 59) of 145 cents per share was declared on 10 June 1986 and was paid to members on 6 August 1986.

No. 3 SUB-VERTICAL SHAFT. The shaft was sunk 94 metres to a depth of 1 316 metres helow collar. 44 Level station curing was completed

On behalf of the board C. T. Fenion 7 October 1986 

# OF SOUTH AFRICA LIMITED

Kloof

**Kloof Gold Mining Company Limited** PARTIED CAPITAL 120 960 000 shares of 25 cents each, fully paid

						•								Quarter	Quarter
														ended	ended
														30 Sept.	30 June
														1986	1986
	ERATIN	S RES	II A R	9											
•	Gold														
	Ore mil									•	•			540 000	,540 000
	Gold pr		(Reg	Э.	•	•		•						7.560,0	7 023,0
	Yield (g	/O .												14,0	1,3.0
	Price re	ocited :	(R/k	g)	•	•	•	•					•	30 053	23 3-12
	Revenue	CR/t D	Med	Ŋ.										421,41	304,17
	Cost	(R/t p		Đ.	•	•	•	•	•	•	•	•	•	107,58	107,18
	Profic	CR/t n	filed	1).										313,83	196,99
		•												-	
	Revenue	CROOD	<b>)</b> .										٠.	227 561	161 252
	Cost	(R000		•	•	•	÷	٠	•	•	•	•	•	58 094	57 878
	Profit .	(R000)			ď		.:		÷					169 467 .	106 374
														-	STATE OF THE PARTY.
FIN	LANCIAL	RESU	LTS	(RC	OD	)									
	Vocking p					٠.	:				٠.			169 467	106 374
	let sundry				•	•	•	•	•	•	•		•	9 763	11 542
P	rofit befo	re fax :	md S	Stat	e's	sh	are	ı ol	DI.	ofi	٤.			179 230	117 916
	ax and St							_		_			•	94 770	39 965
_			_			_	•	-	-	-	-	-	-		
	rofit aft	er tex	and	S		c	si		c	of	pre	)	<b>.</b> 1	84 460	77 951
														Name and Publisher	
	apital exp	<b>sendito</b>	TÇ.	•	•	•	•	•	•			•		40 685	56 170
	tvidend			•	•	•	•	•	•	•	•	•	•		84 6.3
h	one of de	penni	es.	•	•	•	٠	٠	•	•	•	•	٠	5 450	_

CAPITAL EXPENDITURE.

(a) The unexpended balance of authorised capital expenditure at 30 September 1986 was R621,2 million.

(b) Included in the total of capital expenditure for the quarter ended 30 September 1986 is an amount of R19,8 million in respect of Lecudoom. DIVIDEND. A dividend (No. 33) of 70 cents per share was declared on 10 June 1986 and was paid to members on 6 August 1986.

No. 4 Shaft-E. The shaft was sunk 50 metres to a depth of 1850 metres below collar. The stations on 22 and 23 levels have been established and holings effected with development established from No. 1 Shaft-K. Nos. 5A and 5B Auxiliary Shafts-E. Ancillary work prior to commis in progress in both shafts.

No. 1 Shaft-L. Preliminary sinking operations were completed at a depth of 132 metres. Both the suge winder and kibble winder were commissioned and the shaft was sunk to a depth of 156 metres below collar.

No. 1 Ventilation Shaft-L. The shaft was sunk 211 metres to a depth of 1 120

On behalf of the hoard

C. T. Fenton A. J. Wright 7 October 1986

Deelkraal Deelkraal Gold Mining Company Limited (Registation No. 74/00160/06) ISSUED CAPITAL: 99 540 000 shares of 20 cents each, fully paid.

					ended	cnded
					30 Sept.	30 June
OPERATING RESULTS					1986	1986
Gold						
Ore milled (r)					. 575 000	375 <b>00</b> 0
Gold produced (lgg).					1 850,1	19125
Yicki (g/r)						5.1
Price received (R/kg)					. 29 282	23 035
Revenue (R/r milled).					144.71	11"69
Cost (R, t milled).					77,43	763
Profit (R/t milled).					67.28	40.06
						= T-M-L
Revenue (R000)					. 54 266	44 134
Cist (B000)	• •	٠.			29 036	29 112
Profit (R000)						
FRANC (8000)	• •	• •	• •		25 230	15 022
FINANCIAL RESULTS (R	000)				<u> </u>	
Working profit: Gold .	_				25 220	
Net sundry revenue	• •	• • •	• •	•		15 022
	•	•	•	•	2 436	3 195
Total profit	• •		• •		27 666	18 217
Capital expenditure						
Dividend	• •	• • •	• • •	•	9 269	10 276
	• •		• •	• • •	_	34 839
CAPITAL EXPENDITURS expenditure at 30 Septemb	E. The cr 1986	was I	pende 1135,0	اددا ک بنگانس	ance of authon	sed caperal

DIVIDEND. A dividend (No. 7) of 35 cents per share was declared on 10 June

1966 and was paid to members on 6 August 1986. On behalf of the board

C. T. Fenton. A. J. Wright 7 October 1986

Copies may be obtained from the United Kingdom Registran Hill Samuel Registrars Limited, 6 Greencoat Place. London, SWIP 1PL

Note:

Charles Landed

Wednesday October

# of unions

THREE LEADING trade unionists are backing a campaign by War on Want, the Third World charity, simed at encouraging workers to make donations direct from their

Under new tax regulations which take effect in April, employees will be able to give up to £100 a year to charity, with tax relief, if donations deducted directly from their employer's payroll.

War on Want has established a unit to advise trade unions on how to encourage payroll deduction schemes. The campaign has seschemes. The campaign has se-cured the backing of Mr Ron Todd, general secretary of the Transport and General Workers' Union, Mr Peter Heathfield, the miners' union general secretary and Ms Diana Warwick, general secretary of the Association of University

It is due to be launched formally at the end of the month

tions, charities which take part in the scheme will establish Agency Charities, aimed at taking most of the administrative burden involved away from the employer. In a "Union Aid" leaflet published by War on Want, Mr George Galloway, the organisation's general secre-tary, says "Band Aid has shown the way - the trade union movement can now fulfil the journey."

In his statement endorsing the campaign, Mr Heathfield says My members understand solidarity.

The power of trade unions is needed now – in solidarity with the Third World; in their fightback against poverty and injustice."

I UNIONS in Britain had made mistakes in the way they had conducted their affairs and needed to put their houses in order Mr Gavin Laird general secretary of the Amalgamated Engineering Union, said

Only then will the real purpose of trade unions - representing the interests of their members at the workplace and protecting the econ-omically weak against the economically powerful - become clear again to working people and to society at large."

II PEARL Assurance will be marketing up to £150m worth of Midland Bank mortgages each year from February 1987. The link-up will allow Pearl to expand the range of services it offers to its policyholders and Midland to increase its mortgage lending. Pearl will be peid no commission for the business but it expects to benefit from writing the life, property and con-tents insurance that are often att-

SALFORD University, which suffered worst from the Government's cuts in university funding five years ago, now earns almost 12 per cent of its income by doing research for UK industry and marketing spe-

Official figures show that of Sal ford's £25.5m recurrent income in 1984-85, £2.3m came from industrial research for UK customers and

£300,000,000 Floating Rate Notes Due 1996 (Second Series) Interest Rate: 10.33 % per

Interest Period: 6th October

Baring Brothers & Co., Limited Agent Bank

Interest Amount per £5,000 Note due 6th November

Interest Amount per £50,000 Note due 6th November

1986 to 6th November ..1986

£43.87

£438.67

# on tern War on for pear Want gets block bill over sovereignty fear

A CROSS party attempt is to be made in the House of Lords today. Single European Act agreed by the block the orneress of a GovernEEC Governments in February. It to block the progress of a Govern-ment bill enabling reform of the restricts the use of the national veto EEC's decision-making processes.

Queen.
The Queen is the source and fountain of justice in England, She exercises that through her courts. The royal courts of justice exercise is where I see perli if our courts are not to be Her Majesty's courts, but to be European courts manned not by British judges who have taken the oath of allegiance but by Euro-nem judges extraine out European pean judges carrying out European law. It seems to me that that may impinge on the sovereignty of the Queen," he told journalists at West-

Lord Bruce of Donington, a Labour peer who is one of the other leading figures in the proposed re-volt, said the logical conclusion of the bill would be that the Queen would have the status of "a gover-nor responsible to a higher authori-

EECs decision-making processes.

Lord Denning, gave a warning
yesterday that the European communities (Amendment) Bill would
endanger British sovereignty and
endan campaign by anti-EEC MPs. Lord Bruce emphasised yesterday that the pears were not anti-EEC - they were concerned that only limited

time for consideration had been earmarked for a measure of such major constitutional importa-He argued that the power of veto was important to the British people and the implications for sovereign-ty made it imperative that more time be devoted to the debate on the bill. He predicted that the one alloted day would be exceeded.

The bill is only three pages long, out the seven amendments tabled but the seven amendments tabled by Lord Denning, Lord Bruce and Lord Silkin of Dulwich cover six pages. There is no guillotine me-chanism for Lords debates.

Lord Bruce said the single Euro-pean Act would restrict Britain's freedom to deal with international

### Peers attempt to Independent has day-one sell-out

THE INDEPENDENT, Britain's 650,000 copies had been produced, wishes of Mr Max Hastings, the editor of its rival, the Daily Telegraph.

On Monday night Mr Hastings a sell-out. We had people coming to our offices looking for copies," Mr Long said.

All the 18,000 copies sent to Seet.

Yesterday morning a wreath arrived (origin unknown) which has now been put on the grave of John Bunyan, who is buried in a church-yard near The Independent's offices in London's City Road. There was no need for wreaths at The Inde-pendent, as the paper claimed a sell-out for its first issue. It is Britain's first new quality daily newspa-per for over 130 years.

are going to bury you".

FINANCIAL TIMES REPORTER

MR ROBB WILMOT, former chair-

has teamed up with a group of se-nior executives from the UK elec-

ronics industry to launch a novel

new national newspaper, was and with the exception of some launched yesterday with the good ereas of London The Independent

All the 18,000 copies sent to Scota bottle of champagne with a land were sold as were the 3,000 cheery note "Good Luck. Now we sent to Northern Ireland. Copies of the paper were also sent to Paris

> "It looks and feels like an estabished newspaper yet only six spread between more than 30 finanmonths ago there were fewer than 12 of us sitting here with our seedcorn money," added Mr Long a forcorn money," added Mr Long a forcorn money," added Mr Long a forcorn money, added Mr Long a

Group Newspapers.
Mr Eric Birkbeck, wholesale operations director at W. H. Smith said that overall distribu Mr Douglas Long, managing di-remarkably well and that it had been an extremely good launch.

injection of fresh management skills and additional finance.

. The company, Octagon Indus-tries, intends to capitalise on the

management experts from the elec-tronics industry — Mr Wilmot and Mr Geoff Bristow from ICL and Mr

vest in alling companies in the in-formation industry which need an executive of British Telecom Spec-

Computer experts to back ailing companies

Mr Matthew Symonds, deputy editor, said the reaction all day had been very positive with many readers calling to say they intended to give up their Times, Guardian or Telegraph.

the clean layout of the paper and the general editorial quality although some people were still remarking on the lack of humour and describing the paper as "worthy."

Ownership of the Independent is are politically neutral. As long as we provide a return on their in ment they will not seek to influence

tagon Industries expected to draw on a substantial pool of entrepren-

curial talent existing among the

managers of larger corp Managers of this kind

trum who became chairman and brought into the ailing comp chief executive of the Acorn compu-acquired by Octagon.



acquired by Octagon,
We are on the lookout for what

we call 'cornorate entrepreneurs'

panies, but who want the excit-

ement and the equity opportunity that is normally associated with do-

### **Boardroom** switch at Blue Circle

By Nikk! Talt

BLUE CIRCLE Industries (BCI), the building materials group, is making boardroom-level management changes in its beleagured ce-

Mr Keith Court, aged 52, who joined the BCI board in 1978 and became chief executive of Blue Circle Cement in 1984 will leave in a

few weeks time.

According to Dr Gordon Marshall, the BCI's deputy group managing director, Mr Court's departure represents a "mutual recognition of the current situation" and was not actimonious Normal seven ance pay conditions would apply, be

Mr Court's replacement is Mr James McColgan, at present chief executive of BCI's Mexican associate, Empresas Tolteca de Mexico. He takes up his position as chief exl, and will also join the BCI board.

The company also announced yesterday that Mr Kenneth yesterday that Mr Kenneth Shanks, chairman of Armitage Shanks, the sanitary were subsidiary, plans to retire at the end of 1986. He will give up his main board seat, which he has held since 1980 when BCI bought the Armitage Shanks group.

By Raymond Snoddy

awarded e contract by the Home Office to look at how subscription television could be implemented in

study on the recommendations of the Peacock Report that eventually the BBC licence fee should give way

"What we would like to do is pro-duce a detailed picture of the broad-casting environment of the early 1990s and see how subscription fits in." Dr Charles Jonscher, managing director of CSP, said yesterday.

the Department of Trade and In-dustry on the possibility of the com-mercial pricing of radio frequen-

# Subscription television to be studied

The aim is to produce a feasibility

to subscription, first for entire channels and later for individual

The specialist consultancy is already at work on a large project for:

will look at the present state and

One possibility to be looked at is that the introduction of subscription could be phased by linking it to new development such as the arriv-al of direct broadcasting by satellite or high-definition television.



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Not just knowledgeable about them, but familiar with them.

As members of the London and the New York Stock Exchanges, and proud owners of a licence to trade securities in Tokyo, the Kleinwort Benson Group is a permanent resident of the Big Three.

We have offices and subsidiaries throughout America, the Pacific Basin and Europe.

By almost any yardstick, we're the biggest of Britain's merchant banks, so we've plenty of financial muscle.

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But we'd rather you loved us for our ... brains than our brawn.

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Or that Kleinwort Benson Government Securities in Chicago is a well-established primary dealer in the US Treasury market?

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And wherever we meet, we'll be on our home ground.

Kleinwort Benson

The bright people in the right places.



A great name is coming to a great country, for soon there will be a Shangri-La Hotel in Beijing (Peking). With 746 superbly appointed guest rooms and 40 magnificent suites, where else

will bring such world-farmous standards of accommodation, Shangri-La holel service and true luxury to China's capital city. Where else but the Shangri-La.



#### SHANGRI-LA COMES TO



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#### APPOINTMENTS

### **Joining Guinness** Mahon board

GUINNESS MAHON & CO
has appointed Mr David Ashworth, Mr Phillip Atkinson, Mr
Nicholas McCarthy, Mr David
Roberts, Mr Martin Riley and
Mr Robert Philipson Stow as deputy chairman, ICI Mond division responsible for chlorine and directors. The first three were derivatives business, production, environment is fine. assistant directors of the bank in banking administration and corporate finance respectively. Mr Roberts is finance director of Guinness Mahon Holdings and Mr Philipson Stow and Mr Riley are directors of Henderson Crosthwaite, stockbrokers, in charge of corporate finance and private clients respectively. Mr Philip-son Stow has been appointed compliance officer of the Gnin-ness Mahon Holdings Group.

appointed director of operations at HENRY SIMON with respon-sibilities covering manufactur-ing supplies and the company-wide computer systems. He ioins wide computer systems. He jo from Rockwell Graphic Syste

Mr Paul Virlk has been appointed deputy managing director of BUSINESS PRESS INTERNATIONAL CAREW

The AUSTIN REED GROUP confirms that Mr High McClure has joined the board of J. A. Robertson (Dumfries) as managing director. Mr J. A. Robertson remains with the company as a director in an advisory capacity.

MEGGITT MACHINE TOOLS has appointed Mr Tom Grieve as sales and marketing director. He was UK sales manager for KTM.
Mr Bryan Dellow, with Meggitt
for 23 years, becomes director
and general manager.

Hr David Watt, formerly group taxation manager at Babcock International, has been appointed an associate director of CHILTERN FINANCIAL SER-VICES.

BRITANNIA BUILDING
SOCIETY has appointed Mr
John Fenton as deputy general
manager. His promotion comes
after more than two years as
north east regional manager, and
he has been assigned to Britannia's development division.

Mr Asthony Chander has been appointed chairman of York-based UNIX software specialist THOMSON COMPUTERS. He is also chairman of Mandarin Communications. Mr Chandor is chairman of the DTI-spensored software exporters group.

Mr Rabin C. Paul has been sppointed deputy chairman and managing director ALBRIGHT & WILSON, a wholly-owned subsidiary of Tenneco Inc., Houston, Texas, He succeeds Mr David W. Livingstone, who is

enginering and personnel func-tions. He joined ICI in 1959. He is a director of the Mersey Docks

and Harbour Company. Mr Geoffrey F. Parsons has been appointed non-executive chairman of BARRETT & WRIGHT GROUP. This change follows the retirement of Mr

Ray Carr.

BORG-WARNER ACCEPT-ANCE has appointed Mr Philip Underhill as director of market-ing and operations. Mr Nicholas



Keith Shepherd, manag-director of Thorn EMI

Pearce also joins the board. He is European controller, finance director and company secretary.

Mr Derek J. Hinks has joined the board of ONAN CORPORATION, Minneapolis, as vice president and general manager of Onan International, an engine, power generation and switchgear company also based in Minneapolis. For the past 15 years he has been director of marketing and sales for Newage Engineers, acquired by the Onan Corporation in 1984. Cummins Engine Company took a major shareholding in Onan early this year and Hawker Siddeley continue to hold a 37 per cent shareholding.

Mr Keith Shepherd has been appointed managing director of THORN EMI business communi-cations to head a new manage-ment team. He was marketing director of Laskys,

Professor Sir Hermann Bond Master of Churchill College, Cambridge, has been re-elected president of THE HYDRO-GRAPHIC SOCIETY.



#### INTERIM RESULTS

(unaudited) for the half year ended 30th June 1986

	1986 (half year)	1985 (half year)
Turnover	£70.53m	£64.14m
Pre-Tax Profit	£13.63m	£11.45m
Earnings per Share	16.5p	13.5p
Interim Dividend	2.68p	2.33p

'Group pre-tax profit was 19 per cent higher than that for the corresponding period in 1985. Group sales increased by 10 per cent and order intake exceeded sales by £4,800,000.... Our recent UK acquisitions made a valuable contribution to our Group performance.

#### **Bowthorpe Holdings**



	****	Lane London EC3R 88	P		Mom	Der C		
					Gross	Vield	P/	E Fully
Hiah	Low	Company	Price	Change			Actual	
146	116	Ass. Brit. Ind. Ord	133	_	7.3	5.5	6.1	7.6
151	121	Ass, Brit, Ind, CULS	130	_	10.0	7.7	_	_
125	43	Airsprung Group	96	_	7.6	7.9	6.0	5.4
46	28	Armitage sed Rhodes	36xd	_	4.2	11.7	5.0	4.6
192	108	Bardon Hitl	192	+1	4.6	2.4	21.8	20.0
81	42	Gray Technologies	80		4.3	5.4	9.5	8.7
20i	75	CCL Ordinary	90	_	2.9	3.2	6.4	10.0
152	80	CCL 11pc Conv. Pf	88	_	15.7	17.8	_	_
265	80	Carborundum Ord	255	+2	9.1	3.5	12.3	12.6
94	83	Carborundum 7.5pc Pf.	93	-1	10.7	11.5	_	
94 139	46	Deporate Services	139	_	7.0	5.0	14.5	19.0
32 126 80	20	Frederick Parker Group	23	_	_	_	_	_
125	60	George Slair	106	_	3.6	3.6	2.7	3.6
80	20	Ind. Precision Castings	80	+1	3.0	3.8	21.1	17.7
216	152	taia Group	152xd	_	16.3	12.0	6.7	5.B
125	101	Jackson Group	125	_	6.1	4.9	6.5	7.6
377	228	James Gurrough	366	_	17.0	4.6	10.3	9.4
100	86	James Gurrough SpcPf.	96	1	12.9	13.6	_	
035	342	Multihouse NV	850	-10	_	_	44.5	58.1
360	260	Record Ridgway Ord	379	-	_	_	6.8	11.7
100	89	Record Ridgway 10pcPf	88	1	14.1	16.0	_	_
87	32	Robert Jenkies	87	<b>+1</b>	_	_	3.6	5.4
38	26	Scruttons "A"	37	_	_	_	_	_
120	66	Torday and Carlisla	120xd	_	5.7	4.9	7.3	7.4
370	320	Trevien Holdings	322	_	7.9	25	6.7	6.9
70	25	Unilock Holdings	68	_	2.8	4.1	12.5	11.7
102	47	Welter Alexander	96xq	_	5.0	5.1	9.4	9.0
226	180	W. S. Yeates	197	_	17.4	6.6	19.7	21.9



### **GEEST HOLDINGS** FIRST HALF 1986

Profit before tax 32% up on 1985 first half.

**SUMMARY OF RESULTS** 

	Six months ended 28th June		Year
	1986	1985	1985
	€'000	£'000	£'000
Turnover	216,734	196,952	371,883
Profit before tax	4,944	3,739	5,913
Profit after tax	3,339	2,501	4,025

Extracts from the Choirman's statement.

\* Fresh Produce Sales of fresh produce both to multiple outlets and through wholesale markets were very encouraging. Our fresh produce business is about to benefit from the new purpose-built distribution centre at Maidstone which cost over £7m and which will be opened later this year. This new facility will enable us further to improve our service to customers and should have a beneficial effect on operating margins. Geest is the clear leader in the UK fresh produce market and is now well poised to strengthen

\* Prepared Foods In the prepared foods market, where Geest is a leading supplier of own label chilled salads, we recorded a 29% improvement in sales over the comparable period of 1985. This has been done by extending our range and by winning new customers. An investment of over £1m is now being made to meet increasing demand.

\* Horticulture in contrast, the Horticultural Sector had a disappointing first half and a loss was incurred. To remedy the situation we have decided to divest the houseplant growing business. This will allow management to concentrate on the development of our garden product activities. Pending a decision on the method of divestment, no provision has been made in the interim results for any costs or the write-down of assets which might result.

The normal seasonal nature of the business is such that profitability in the second half of the year cannot be expected to match that of the first half. However, the Board views the outlook for the second half, for profits for the full year and for the medium term future of the Group with

As has already been indicated we are exploring the possibility of seeking a full listing on the London Stock Exchange. I look forward to reporting the outcome in due course.

GEEST. FIRST IN THE FIELD



#### Skandinaviska Enskilda Banken

(Incorporated in the Kingdom of Sweden with limited liability)

DKK 300,000,000 101/4 per cent. Capital Notes due 24th October, 1991

**Enskilda Securities** 

Privatbanken A/S

Application has been made to the Council of The Stock Exchange to have the Capital Notes, in denominations of DkX 20,000, issued at 100 per cent., admitted to the Official List, interest is payable annually in arrear on 24th October, the first payment being made on 24th October, 1987. Listing particulars relating to the Capital Notes and the Bank are available in the statistical service of Extel Statistical Services Limited and may be obtained during usual business hours (Saturdays excepted) up to and including 10th October, 1986 from the Company Announcements Office of The Stock Exchange, London EC2, and up to and including 22nd October, 1986 at the addresses shown below.

Rowe & Pitman Ltd. 1 Finsbury Avenue London EC2M 2PA.

The Chase Manhattan Bank, N.A. Woolgate House, Coleman Street London EC2P 2HD.

8th October, 1986



### Interim Report 1986

Mr Ernst Schneider, Chairman, reports:-

"the continuation of an excellent growth record"

"Comcap continues to be a truly European company with 82% of turnover and 60% of profits before tax being derived from Denmark, France, Germany, Holland and Switzerland"

"the Group's portfolio of leased computer equipment has shown a net increase of £15 million to £105 million"

"Comcap will show further progress for the full

Turnover up	31%	
Profit before tax up	39%	
Earnings per share up	31%	<del></del>
Dividend per share up	25%	

	6 months ended 30 June		Year ended 31 December
	1986	1985	1985
Turnover	£'000 33,056.	£000 25,296	£′000 53,743
Profit before tax	3,048	2,197	5,188
Earnings per share	11.76p	8.96p	20.32p
Dividend pershare	0.75p	0.60p	1.50p

OUR ACTIVITIES: Computer leasing, computer software, contract staff, lease broking, property financing, property development.

WE OPERATE IN: Denmark, France, Holland, Switzerland, United Kingdom and West Germany. Copies of the Interim Report, together with the Chairman's statement, may be obtained from the Secretary, 49 Pall Mall, London SW1Y 5JG. Telephone: 01-930 7688.

#### Massage/Lyric Studio, Hammersmith

#### Claire Armitstead

Michael Wilcox presents in Massage the dilemma of the weak adult ensnared by the knowing child, who deludes himself with the age-old cry of the child molester: "It wasn't like that."

ednesday October

RESULTS

G0G 2030 (7±6 38)

£70.53m Sa

£13.63m

16.5<sub>0</sub>

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<sub>5</sub> 1991

anken A/S

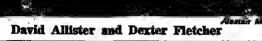
wasn't like that."

His protagonist, Dodge, is a likeable enough chap: a failed bleycle builder who hires a young masseur to help him celebrate the twelfth birthday of his absent friend with a bizarre schoolboy spread of

cynicism born of the unhealthy attentions of his foster father. At first sullenly suspicious, Rikki begins slowly to assume the upper hand as Dodge's story

of infatuation among the tent pegs is unfurled. Through his revelations, a telephone call

making interesting headway with these arguments, he throws it all eway with the romantic image of Dodge and



tence for a year or so now, the and no identification of the

The Happy End/Donmar Warehouse

Kevin Henriques

As befits a band propagating socialist ideas, there are no stars, only a nominal leader

el Wilcox presents in baked beans and jelly. He finds from the child, Simon, and a the dilemma of the in Rikki a "fully-qualified, upconfrontation with Simon's dult ensuared by the wardly mobile rent boy" who mother (and Dodge's ex-lover) child, who deludes was reared in an orphanage, got with the age-old cry this massage training on a youth training ticket and has a healthy both father and sexual initiator and the training ticket and has a healthy both father and sexual initiator. to the boy, admonishing him about his homework and fixing his skateboard — "I've taught him to love," he tells tha distraught Jane when she confronts him with perverting her

David Allister presents a Dodge who could indeed be anyone's father: thinning hair over a benign, sad face which clouds with instant fastidious rage at the mention of anything as crude as sex. Pamela Merrick, as Jane, is all flashing eyes and as Jane, is all fiashing eyes and maternal anget, but it is Dexter Fletcher, as Rikki, who controls the mood, switching from sullen waif on the make to a boy Lolitz, peering with blue eyes from a tousle of ringlets, and finally to a peaky child, deprived of warmth, whose face lights up at the thought of a bicycle trip.

Rikki teaming up in spite of it all: of man and boy cycling off into the sunset.

The Happy End is a roaring big band specialising, unsurprisingly considering its Brechtian-Woillian title, in songs of the revolution—any revolution—and the working classes, incorporating along the way, marches, Chartist hymns, jigs and, by no means insignificantly, lazz, For this is anarchic music presented, paradoxically within the confines of big band discipline. The personal are young, tirelessly enthusiastic musicians who of the saxophonists acound well bring an uplifting sense of humour to the serious business of political messages and trombone and the propagating socialist ideas, there are no stars, only a nominal leader cannot, in all honesty, be termed a 100 per cent jazz unit. Some of the arrangements bring to mind the stirring concepts of jazz composers Charlie Mingus and Carla Bley. The band does an outstanding ver-sion of Thelonions Monk's "Misterioso" and also the traditional blues number, "John Henry," Otherwise the reperthe Spanish Civil War, from Cuba, China, South Africa and Ireland, as well as several from comrades Weill, Brecht and

ultra serious, pretentious poli-tical sermons need not worry. The Happy End have the happy

Television/Christopher Dunkley

### Safe but unsure in the middle of the road

has never been shown on televi-sion. Let us hope that The Lifo and Loves of a She Devil, adap-ted in four parts from a novel by Fay Weldon, proves to have at its core a set of beliefs and attitudes just as powerful and individual as Potter's.

waif on the make to a boy Lolita, peering with blue eyes from a tousle of ringlets, and infaulty to a peaky child, deprived of warmth, whose face lights up at the thought of a bicycle trip.

The play, both written and directed by Wilcox, is shot through with wry, extremely uncomfortable perceptions: the a call boy also made Jane into a career woman with no time at career woman with no time to look after her child. It is responsible, too, for Dodge's redundancy in an off-the-peg era which no longer appreciates the beauty of the perfectly turned bicycle wheel.

What it seems to be arguing is the distinction between a child molester and a man whose love for a child runs a sexual (Dodge would have it natural) course. His reasoning is, of course, flawed, but so is the idea that society is to blame for all "unnatural" relationships between people, Just when Wilcox seems to be making interesting headway with thase arguments, he

Like Crak-A-Snak, Howard's Way has a visually interesting exterior; all those overhead shots of cruising yachts cutting across glittering water. As with Crak-A-Snak, when you get through the outer coating you find inside a soft mousse whipped up from carefully balanced quantities of well tried ingredients; middle class milieu, high fivance, fancy clothes high finance, fancy clothes (the women, whatever they are doing, are perpetually dressed for a cocktail party in Purley) with trace elements of sex. As with Crak-A-Snak, so with Howard's Way: ten minutes after finishing an episode you feel as peckish as ever.

Much the same can be said for half a dozen more of this autumn's drama series. Call Me autumn's drama series. Call Me
Mister features yet another
private investigator. This time
he is a millionaire Australian
with an English title and the
setting is the City of London.
But the revolution in editing
and narrative concentration
wrought in the last 20 years by
commercials and American
series seems to have passed the
producers by. With Call Me the Spanish Civil War, from Cuba, China, South Africa and Ireland, as well as several from comrades Weill, Brecht and Eisler.

Anyone deterred by the prospect of listening to doomy, ultra-serious, pretentions male.

To Have And To Hold is w band's reputation has not blossomed in the way it deserved should Happiy The have tisteners keen to note. The Happy End have the happy the deserved should Happiy The names for the future, but with knack of presenting serious that it is full of festival time at Edinburgh this theatrical ettributes, the band thoroughly entertaining way.

Tonight sees the start of The Life and Loves of a She Devil, a series which—judging from the trailers and the cover of Radio Times—features a real devil, complete with shining red eyes and little curis of smoke. Dennis Potter put a similar character, though male, into Brimstone and Treacle, an outstanding television drama (better than the movie) which has never been shown on television. Let us hope that The Life In Casualty the absence of individual creativity and the feeling of the product being invented by a committee concerned primarily with image is unmistakeable. You can sense them all in their uniform leather fackets and designer feans telling one another, eyes gleaming, "We gotta break down the stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes!" Not only is the model doctor e woman, but reflection of the Kildare stereotypes (which at least reflected some reality) with boring new ones which amount to little more than hopeful lies, it would still be more interesting to dramatise the honest convictions of one individual than to experience that compromises reached by a team of propagandists. That is in reason why The Monocled some of its detail, was so much more compelling—and in the script. The leading nurse is a man. The person who tracks down the mystery chemical harming the dockers is not some of its detail, was so much more compelling—and in the more limportant—than about whether Inside Story bas been churned out to match a preconceived formula provided



Francesca Annis in Inside Story

complain when Francesca Annis takes all her clothes off, hut the fact that she was required to do it so near the beginning of Episode 1 looked suspicious, to say the least. However, by the end of Episoda 2 there were signs that this series is largely the concept of one man—writer Peter Ransley—and that we shall in the end benefit from a truly personal view of contem-porary Fleet Street.

porary Fleet Street.

The way in which King And Castle seems to be labouring so slavishly to fulfil the requirements of the marketing boys has already been described in this column. And assuming First Among Equals is an accurate adaptation from Jeffrey Archer's book then that book must be just as much an entomatic following of well-tried recipes as those original television series described

We are left, in this large central area of series and serial drama, with just two titles; Big Deal and Paradise Postponed. Of these Big Deal seems to me at present the more impressive, even though the character of the feckless Robby Box has now been exhaustively explored, and the series — unlike Minder — has too little comedy content to allow it to coast between key episodes.

It would be unfair to suggest that John Mortimer's Paradise Postponed was in the same category as Casualty or Howard's such as Edge of Dark Britain is still rich in the sort of people who have the passion

by the production company right through the night, and the (Anglia). Far be it from me to possibility of new satellite possibility of new satellite channels looming again, must we expect this, and even more of the same, to continue in the future?

> I suspect the honest answer is "To a large degree, yes," but there are further points worth marking. First, the Americans are better than the British at producing middle-of-the-road series drama in large quantities. This has been true virtually throughout the history of tele vision, from Wagon Train in the '50s to The Outer Limits in the '60s and Columbo in the '70s. Today St Elsewhere is not merely better than Casualty, but much better. Hill Street Blues is not just superior to The Bill, but considerably superior. They are made in the right language for us end we should gratefully continue investigat than

importing them.
What we should avoid is the what we should avoid is the current craze for putting money into European co-productions in order to make "Eurotelly" drama designed to losep the Americans out. Almost inevitebly the results are disastrons compromises. British television

gory as Casualty or Howard's of people who have the passion way; on the other hand it would and vision to create such series. Way; on the other hand it would be dishonest not to admit that Perhaps Martin Amis, A. S. —so far, anyway—it seems closer to those than to such stronger individual visions as Edge Of Darkness, Boys From the Blackstuff, Pennies From they are no longer the younger Henven, Much And Bruss or even Mortimer's own Rumpole. So we seem to be faced with a season that is chocka-hlock writers who could revirity Briwith derivative and formulabased series drama. With the state courage among heads of drama departments to abandon their tested formulae and back daytime wastelands, ITV talking their tested formulae and back seriously about transmitting young talent of that sort.

### In Memoriam Hans Keller/Wigmore Hall

#### Max Loppert

85). Keller, who fied to Britain in 1938 from his native Austria, was one of the greatest acquisitions that this country made out of the rise of Nazism; he became so vital a figure in our musical life that it is still a shock to think of it without him.

Manhattan Bark M Jaure, Coleman Sas Landon Ecologic

Mouday's chamber music concert, sponsored by Radio 3 and the Austrian Institute (and hroadcast live), was given in memory of Hans Keller (1919-85). Keller, who fied to Britain in 1938 from his native Austria, was one of the greatest acquisitions that this country made out of the rise of Nazism; he became so vital a figure in our musical life that it is still a shock to think of it without him. And impossible, indeed, to exaggerate the importance of his influence — as critic (and life that it is still as a shock to find the importance of his influence — as critic (and life that it is still as analysis; as BBC producer, to remember how much control versy he aroused in earlier least as coach and guiding light of course, a posture that this country made of the rise of Nazism; he became so vital a figure in our musical life that it is still a shock to think of it without him.

And impossible, indeed, to exaggerate the importance of his influence — as critic (and

Beethoven, Mendelssohn, Franz vigorating attack by Ida Haen-Schmidt, Schoenberg, and Britten—were of particular sig-nificance in Keller's life and Schoenberg, sung in a demure, musical thought; likewise all the performers benefited from his benign advocacy. Perhaps the most moving part of the evening was the account of the Haydn D was the account of the Haydn D minor Quartet, Op. 42, by the Mistry String Quartet—this is the most youthful of the groups coached by Keller,

And impossible, indeed, to exaggerate the importance of his influence — as critic (and particular champion of Schoenberg at a time when derision — so completely won, his berg at a time when derision — as critical and the concent — have a so the confortable of the confortable of the confortable of the confortable which there was rather too find the place the curiously which there was rather too find the concent — and the confortable of the confort

del and Craig Sheppard; songs by Mozart, Mendelssohn, and Schoenberg, sung in a demure, indeterminate way by Jennifer Smith to Susan Bradshaw's piano accompaniment; an etractive but overly elaborate varia-

#### Shnitke/Elizabeth Hall

#### **Andrew Clements**

New works by Alfred is more modest than many of why the construction should Shnitke appear in Britain so its congeners, its musical hang together, or its polyglot erratically that our knowledge means are highly characteristic, idiom—modal, diatonic, atonal of the leading contemporary down: tho two-movement structure composer is highly down: tho two-movement structure develops from a handful strong pull and one remembers out of date. The letest piece to arrive here is his Septet from inclined, that open the piece. 1982, the first British performance of which closed last night's concert by the Fires of Londou in the Elizabeth Hall.
Without detailed knowledge of Shnitke'e recent music it is hard to place the curiously

of thematic scraps, modally its gestures and aseptic texinclined, that open the piece.
The first movement turns them into a moto perpetuo which eventually runs out of steam; the second shapes them into an eccentric chorale which into an eccentric chorale which into an eccentric chorale which piles decoration upon decoration until the whole structure collapses under its own weight, Granga's Variations, commissettles on a repeeted unison A. since by the group and neters out

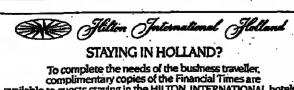
### **Notice to Bondholders**

#### Norsk Hydro A/S 9% Bonds due 1991

Notice is hereby given, that pursuant to paragraph 4 (d) of the trust deed US\$2,500,000 principal amount thereof has been purchased by Swiss Bank Corporation, Zurich, as purchase agent during the year of 15th September, 1985, to 14th September, 1986.

US\$37,500,000 nominal bonds will remain outstanding after 14th September, 1986. October 1986

Norsk Hydro A/S by the Law Debenture Corporation p.l.c. London as Trustee



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**FINANCIAL TIMES EUROPES BUSINESS NEWSPAPER** LONDON - FRANKFURT - NEW YORK



### Arts Guide

Missic/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Howard's Way: Jan Harvey, "perpetually dressed for a Purley cockiail party," in a boatyard, with Maurice Colbourne

#### **Theatre**

Marcel Marcean: U-Port, Kani Hoken Hall, Gotanda (Thur). (7 22 23 58). Super Kabuki; devised by Kabuki star Eanosuke and based on the legen-dary account of the founding of Ja-pan. Yamnto Takeru has nearly 200 characters, breathtaking costumes and many Kabuki tricks. Shimbashi Embujo Theatre (541 2211).

#### CHICAGO

Pump Boys and Dinettes (Apollo Cen-ter): Facetious look at country music terr: Facetions look at country music and down-home country life with a good best and some memorable songs, especially one played on kit-chen utensils has proved to be e du-rable Chicago hit. (935 6106). Galileo (Goodman): Brian Dennehy takes the title role in Bertolt Brackits evolution of intellectual

Brecht's exploration of intellectual honesty in a repressive environment under the direction of Robert Fall, who has just taken over as the Goodman's artistic director. Ends Nov 1, (443 3800).

#### **NEW YORK**

Cats (Winter Gerden): Still a sellout, Trever Num's production of T.S. El-liot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262). 2nd Street (Majestic): An immodest

celebration of the heyday of Broad-way in the "30s incorporates gems from the original film like Shuffle

# Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020). A Chorus Line (Shubert): The longest-running musical ever in America.

A Chorus Line (Simbert): The longestrunning musical ever in America
has not only supported Joseph
Papy's Public Theater for eight
years but also updated the musical
genre with its backstage story in
which the songs are used as auditions rather than emotions.
(239 6209).

La Cage sux Felles (Palace): With
some tuneful Jerry Herman songs,
Harvey Fierstein's adaptation of the
French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking
and gandy chorus musbers.
(757 2626).

Pan Net Rappeport (Booth): The
Tony's best play of 1966 won on the
strength of its word-of-mouth popularity for the two oldsters on Central
Park benches who bicker uproariously about life past, present and
future, with a funny plot to match.
(239 6200).

Bis River (C'Neill): Roser Willer's nu-

(238 6200).

Big River (U'Nelli): Roger Miller's norsic rectues this sedentary version of
Huck Finn's adventures down the
Mississippi, which walked off with
many 1965 Tony swards almost by
default. (248 0220).

#### NETHERLANDS

Scheveningen, Circus Theatre. The New Vio Theatre Company with Chaucer's Canterbury Tales (Wed). (55 88 00). LONDON

La Cago Aux Felles (Palladium): George Hearn a welcome star along-

#### October 3-10

side Denis Quilley in the transves-tite show for all the family. Weak second act, less than vintage Jerry Herman store. The show has not travelled well from Broadway. (437 7373 (CC) 734 8961).

Dalliance (Lytinita): Tom Stoppard's new version of Schnitzler's Liebelei is a crushing disappointment only partly redeemed by Branda Bletinyn as the ruined working girl. A theat-richised travesty of the work adds to the confusion of middle-aged actors playing begind the stopping of the stopping in Partly begind the stopping the tors playing boyish dragoous in Peter Wood's mumbingly respectable production. (928 2252).

Men We Are Married (Whitehall):
Matchies comic playing from an all
star cast in Priestley's comic warhorse about silver wedding anniherse about silver wearing anniversaries undermined by an inconvenient revelation. Bill Fraser is a drunken Falstaffian photographer and the couples are led by Timothy West and Prunella Scales. The 1836 theatre has been beautifully renominated from Trans.

theatre has been beautimity removated. (830 7785).
Starlight Express (Apollo Vicineia):
Andrew Lloyd Webber's rollerskabing folly has 10 minutes of Spleiberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Dispensional Star Ware and Contract. neyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 0184).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Mer-rick's tap-dancing extravaganza has been rapturously received. been rapturously (836 8108).

#### Saleroom/Antony Thorncroft

#### Scramble for eggs

The Fabergé Easter eggs that the Russian Imperial family Vienna plaque of the finest traditionally gave each other in quality painted in 1810 by Josef the dying years of its reign Nigg, depicting flowers. Nigg were not the only eggs circulated by royals. Earlier in factory, and his plaques very the light continue the Drussian rarely appear on the market. the dying years of its reign were not the only eggs cir-culated by royals. Earlier in the 19th century the Prussian monarchs, copying the Russian Sothoby's placed a £9,000 top orthodox custom of decorating rooms with garlands of Easter measured 16.5 in by 12.25 in, eggs, rewarded members of but it was unsold at £6,800. their family in the same way, and three eggs made of porcelain in the Berlin factory around 1825 came up for auction at Sotheby's yesterday. They all doubled their estimates, with one selling for vase and cover of about 1730 factors a view of the Same Sourci nalace) and another, Sans Souci palace) and another, £10,120. with a view of a palace in Berlin, for £3,740.

The anction of continental The anction of continental pottery and porcelain did quite sold. A Queen Anne walnut well with a total of £420,475 bureau cabinet (with a side and 14 per cent unsold. The panel missing) did well at top price was the £57,200 paid £31,000 to the London dealer by a German dealer for a rare Courtney, while e Louis XIV table top made in the Kiel factory, in faience, in 1769. It for £12,500. The main surprise measures 21 in by 31.5 in and is attractively decorated with £1,500 to £2,000) paid for a travellers at a crossroads. Sotheby's placed a modest top is attractively decorated with travellers at e crossroads. Sotheby's placed a modest top estimate of £12,000 on the lot.

Another item comfortably to exceed its forecast was e Flor-entina "oak leaf" drug jar of the second quarter of the 15th

sale yesterday with a total of £328,480 and 11 per cent un-

Phillips had a good furniture

### Grips in London

The Grips Theater from century. It is 6 in high, and made 35,200 as against a £20,000 top estimate. However a similar jar of a few years lster was bought in at £9,500.

The Crips I neaver rom below it to present its rock musical, Line One, at the Shaw Theatre from October 8-12. It was reviewed on this page lest month by Ronald Holloway.

#### **FINANCIAL TIMES**

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Wednesday October 8 1986

### An absence of strategy

ing simultaneously to stabilise to prevent a rise in short term interest rates. This week bas sional estimates of the Septem-

A rise of 11-11 per cent in sterling M3 ou the month was greeted with relief in the markets because it was at the lower and of expectations. Yet this represents an annual rate that is hovering somewhere near 20 per cent. For those who still believe in these things, the September figure is no more reassuring than e year-on-year rise of 181 per cent, well above the mt's target of 11 to 15

per cent. Cynics will no doubt argue that no one much outside the City attaches importance to sterling M3 or, for thet matter, to the Chancellor's (currently much better behaved) pet measure of MO. Yet there is precious little reassurance to be bad from less arcane indica-tors of the stance of monetary policy.

#### Specific target

The notion thet sterling bas simply been caught in the rush for the dollar exit is simply implausible: the sterling-D-Mark rate is telling us that the markets are more nervous the markets are more nervous ebout the underlying thrust of policy. House prices are bubbling merrily in response to ective lending by banks and non-banks; indeed, part of the recent surge in sterling M3 reflects the building societies increased religions. renerts the building societies increased reliance on whole-sale money provided by the banking system. The local euthority pay settlement scarcely suggests that wages are set on a non-inflationary nath

IF THE reduction in the rete In his Mansion House speech of inflation is the chief economic last year Mr Nigel Lawson sigachievement of Mrs Margaret nalled the demise of old-fash-Thatcher's Government, recent foned money supply targetry events and figures have con- and of over-funding of the borspired to demonstrate just bow rowing requirement. Instead of little that feat owes to the Gov- squeezing the economy through ernment's own monetary policy. sales of gilt-edged stock to the Last week we had the curious non-bank private sector, the spectacle of the authorities try- authorities relied on short term interest rates. Latterly, increasthe sterling exchange rate and ing emphasia bas been placed on the exchange rate, although the Treasury has chosen not to seen the publication of provi- reveal any specific target. We were assured, in the Chancelber money supply which do lor's own words, that there was nothing to enhance the credi-bility of monetary management. to financial discipline."

#### Sterner perdict

The charitable explanation for recent events is that policy has simply been suspended for ses of the Tory Party's annual excursion to Bourne-mouth. Normal discipline will, on this thesis, reassert Itself in the shape of higher short term interest rates when political retoric has had its day.

A sterner verdict comes, bowever, in the latest circular from brokers L. Messel, which waves nostalgic ebout the good old days not only of Sir Geoffrey Howe, but former Labour Chancellor Denis Healey. Both could be relied on, say the brokers, to take money supply targets seriously and to use increased interest rates as e prelude to beiligerent ection by the government broker. The view of Mr Healey is e mite roseate; be, too, was known to fly by the seat of the pants on more than one occasion. Nor was the behaviour of sterling M3 so docile under Sir Geoffrey. Other brokers would be more critical on the basis of the behaviour of sterling—an attack that the Treasury might find hard to counter. But at the very least this suggests thet Mr Lawson has a case to answer in his

Mansion House speech next week, when he confronts his own natural constituency. That case could be answered much more readily if the Government were willing to use full membership of the European Monetary System as e firm The one thing that is not in monetary system as e him monetary system as examples and a six a si

### **US** midterm conundrums

dom with incumbent administrations, an experience that even popular presidents like Franklin Rooseveit and Dwight Eisenhower suffered in their second terms. More often results ere determined by local and regional issues and personalities, which may or may not reflect national concerns. Occasionally, they bave a wider importance, as in 1974.

What makes the first Tuesday in November unusually interesting is the distinct possibility that the Republican Party will lose control of the Senate, where it holds a slim 53-47 majority. If it does so, it will not be by much and it may be explained away by the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic (12) are helicity of the simple fact that far more Republican seats (22) than Democratic Market of the every deeply into the House, it probably will pick on promocratic majority in the House, it probably will pick on promocratic majority in the House, it probably will pick on promocratic at all, which is debatable, its focus is that if the electorate is interested at all, which is debatable, its focus is that if the electorate is interested at all, which is debatable, its focus is on local matters. In some instances this will work to Republican advantage. Although it cannot expect to bite very deeply into the House, it probably will pick on promocratic majority in the House, it probably will pick on promocratic majority in the House, it probab

seats (22) than Democratic (12) are being contested. But even if the restoration of Democrat ff the restoration of Democrat power in the Senate does not dramatically change America's domestic and external policies, or instantly consign President Reagan to premature lame duck status, it will shift the balance of power in Washington in

many subtle ways. President Reagan has had an enviable record in his deal-ings with Congress. He has been frustrated from time to time—on aid to the Nicaraguan contras and, most conclusively last week, over South African sanctions—while the credit for some of bis more heralded achievements, including tax reform, should properly be shared with Congress and Democrats as well as Republicans.

#### Tight races

The key to his success is that he has been eble to a degree unprecedented since FDR to set the national agenda. In this, it has helped him epor-mously that a Republican Sen-ete has been instinctively re-ceptive to his ideas. He will be able to count on no such auto-matic co-operation from e Senete wbose committee chairmen are Democrats and whose lead-ing lights will be looking firmly ahead to the big race in 1988, and the end of the Reagan era.

There is little doubt that President Reagan's personal final two years may be more popularity will help Republican wearing than his first six.

much into midterm congressional elections in the US. Sometimes they reflect no more than mild disaffection and boredom with incumbent administrations, an experience that even popular presidents like Franklin Rooseveit and Dwight

For its part, the Democratic Party has far from resolved its fundamental dichotomy between the old Roosevelt-Kennedy liberal wing, now attracted to Governor Mario Cuomo of New York, and the younger "lean deal" pragmatists of the school which has produced senators like Gary Hart and Bill Bradiey. But, for once, the party has had the wit once, the party has had the wit to play down this division, concentrating instead on attack-ing vulnerable Republican

#### Leadership voids

Voter disinterest and the absence of big issues make this a singularly difficult election to a singularly difficult election to predict. Even in the farmbelt, victim of an economic blight, some states, like South Dakota, seem intent on turning out the incumbent Republican Senator while others, neighbouring Iowa, for example, will probably retain theirs. Otherwise there is precious little in common between Maryland, Colorado, Louislana, Florida, Pennsylvania and Idaho, which constitute a representative, but not inclusive, selection of swing states.

The process will nevertheless

The process will nevertheless throw up pointers to 1988 and beyond. It will encourage, or rebuff, the Republican right and the Democratic left and this, in turn, will influence the debale inside both parties as they conN AMERICAN Jaguar car lealer burst into tears of components, is already part of components, is already part of British motor industry legend.

None of it would have been possible, Sir John says, with-

car company launches today. He was relieved because as far as be was concerned the Jaguar designers and engineers have captured all the virtues of the 17-year-old series-3 model in the new car.
"We were worried," admits

Bob Robinson, who sells more than 400 Jaguars a year from his dealership at San Jose, California. "We said to our-selves: bow do you change the most beautiful car in the

world?

"But the new car is just as beautiful. It is undeniably a Jaguar. It looks like e Jaguar, both outside and in. It drives like a Jaguar And that's great."

The American dealers, the Jaguar company, Sir John Egan. its chairman and chief execu-tive, and not the least, the UK halance of payments all have a great deal riding on the new XJ6.

It replaces a model which has accounted for 80 per cent of production, so in effect Jaguar is e one-product company in the process of replacing that one product.

the unthinkable happened and the new car was not successful, dealers in the US who have invested beavily in who have invested beavity in the last two years to back the company—one has just com-pleted a \$10m facelift for his Beverly Rills, California, outlet —would quickly have to fine

something else to sell.

Sir John Egan would be looking for someone to bale out the company, which would be a bitter blow after such a short taste of freedom from the state-owned Rover Group which sold off Jaguar via e £293m stock exchange flotation two years ago. Vears ago.

Britain's motor industry trade balance, already deep in the red, would be in even worse shape because Jaguar last year was one of the country's top 20 exporters, contributing £508m in overseas sales. Jaguar's total production last

year reached only 38,500 cars, year reached only 38,500 cars, equivalent to about two days' production for General Motors, the world's largest automotive group, or four days for Volkswagen-Audi, Europe's big-

gest.
Yet that was enough to generate for Jaguar £748m of turnover and £121m of taxable. More than half the output was sold in the US, where the cars sell for \$38,000 to \$40,000 and dealers collect

XJ40 project—the code-name for the new XJ8—started six years ago it was to have been e very different car from the one which emerged.

When work on the £200m.

The continued success of the

old series S XJ6 Jaguar gave the company vital breathing

space and more time to make sure the new model was as

out the right product.

good as possible.

At that time fuel economy was at the top of car makers' list of priorities rather than But, by 1984, the price of petrol was of less concern to car buyers so Jaguar switched its concentration beck to per-formance. Even so it will be

another two years before Jaguar will be able to fit its 5.3-litre V12 engine into the new KJ6. Standard options are for 2.9 and 3.6 litre units. It was also obvious from the consumer "clinics" to test reaction to the new model that customers loved the wood-and-leather, "British" look, so that was put back into the develop-

ment programme.

The staying-power of the series-3 gave Jaguar time to put the new XJ6 and the components that go to make it through the most intensive testing programme cver through the most intensive testing programme ever devised by the company. By today prototypes will have covered 5.5m miles or 8.5m kms during tests over all types of roads and all types of conditions, from the depths of the Ontario winter and the boiling heat of the Australian desert. This is about five times the industry norm. industry norm.

Jaguar also made what Sir

Jaguar also made what Sir John describes as "an intellectual breakthrough" when it came np with the ides of building a separate pilot assembly line for the new XJE.

Although not new to the industry, this idea overcame the problems associated with build-ing the first new models alongside the old series 3 cars, still very much in demand, while at

the same time ensuring the switch from one to another goes

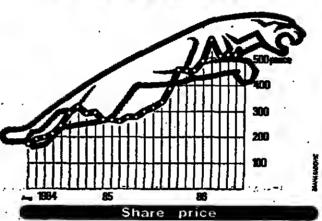
smoothly. Mr Mike Beasley, production director at the time and now assistant managing director, says: "We took the view that if we laid down a pilot line the manufacturing people could build cars properly off production tools and the cars could be tested off production tools we could train people on the line at volume production the line at volume production



JAGUAR'S NEW CAR

A fast but narrow lane

Sir Jahn Egan: an expensive stockpile



this year's production target of its total output last year was

Jaguar allocated \$7m to terminate 30 US dealers and

reduce the network to 156. All but four have gone quietly and the money will cover the cost of completing the process. Bob Robinson, the San Jose dealer, says: There were some disappointed dealers, but something had to be done." Mr Robinson has been through the Mr mill, having bought his dealership in 1967 and three years later seen 60 per cent of his business disappear when British Leyland gave up making

the MG sports cars. "Jeguar has concentrated on "Jeguar has concentrated on quality control, not just on the assembly line but also at the front line—with the dealers," says Mr Robinson. "He insists we give the customers first-class service. But it has paid off. Several years ago no dealer would sell his neighbour a

A similar up-grading of level. Capital expenditure, languar dealer networks has languishing at £3m in 1980, will take an annual £100m for luxury car market.

In the UK Terminal American are market.

In the UK, Jaguar sold an annual 6,500 of the series-3 models in recent years but the company hopes to reach 10,000 quickly by tackling seriously the upper range of the execu-tive car market, for models between £15,000 and £20,000. What will all this mean for aguar's profitability?

Mr John Edwards, finance, director, says that, on the nega-tive side, materials costs go up because, although the new XJ6 has fewer panels than the old one, it incorporates many more costly electronic and electrical

The company has also had to stockpile cars for the inunch of the new model—another expensive exercise—when for two or three years it has had virtually no inventory of finished cars. And Jaguar now has to start depreciating £100m of new production equipment. The com-pany's depreciation charge, £14m last year; will double to £28m this year and be £40m in

On the positive side, Jaguar's warranty costs should fall. Although the quality of the old series 3 has improved in recent years, it still suffered two total product recalls in the US last year and remains e difficult car

Then Jaguar receives e major. December 1990.
bonus in the US where the 11 the new XJ6 is as successseries-3 has attracted the so-called gas-guzzler tax, a penalty

come of more than \$100,000 a first full sales year. The company will not change the total price—that is fixed by strengthened the dealer network reference to the main competi-there.

Jaguar allocated \$7m to pocket the extra money.

"That alone is not a bad return on our investment," points

out Mr Edwards. As for the future, Rob Golding, automotive industry analyst with London stockbrokers Quilter Goodison, suggests that, after two rather flat years in 1986 and 1987, Jaguar will bene fit from increased volume and margins so that by 1990 it could be producing 78,000 cars and its taxable profit might double to about £333m.

Sir John insists that Jaguar Sir John insists that Jaguar needs another four years before its turnround is completed. "We need that time to get a world-class technology base—Mercedes has had a 20-years start." Jaguar needs time before the £30m engineering department it is building will match the competition. the competition.

Research and development will absorb 3.5 per cent of sales

we need to spend to be world class in cost effectivenes. You

class in cost effectivenes. You have to pay your duea in this business," says Sir John.

Even when those dues are paid, Jaguar can do little to diminish its beavy reliance on the US market and the volatility of the dollar, to which it is much more heavily av-It is much more beavily ex-posed than its two major com-petitors, BMW and Mercedes. It also remains to be seen how effective the new XJ6 will be in Jaguar's push to broaden its sales base by regaining lost ground in the UK, pushing further into West Germany and tackling Japan seriously for the first time. first time.

There is very little the company could do, either, if there were to be another interruption to oil supplies. While the price of petrol matters little to Jaguar owners, shortages of fuel would be certain to send them scurrying back to smalle less-thirsty vehicles which the
West German companies
already have at the bottom of
their ranges.
The year 1990 has a particular

significance for Jaguar. When Jaguar was sold back to the private sector, the UK govern-ment retained e so-called Golden Share to protect the company from takeover until

If the new XJ6 is as successful as the company hopes, in 1990 Jaguar will be at the centre of bid fever.

For the moment Sir John Is unconcerned. Never particularly noted for his modesty, he says: "Somebody would have to fancy their chances to think there expediences to think there expediences." \$40,000 gross profit on each Jaguar they sell. "We have made many of them millionaires in the past few years," says Sir John.

Only a very short time ago Jaguar presented a very different picture. In 1980 the company suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should recompany suffered a fellon loss series 3 models—so Jaguar's output and productivity should the time it took to make 100 car per employee a year to six per employee.

In output at least, Jaguar's models from West Germany's pound in the time it took to make 100,000 a year while total Meritan per employee.

In output at least, Jaguar's major rivals, the BMW 7-series, has attracted the so-called gas-guzzler tax, a penalty of exiting the ZJGs and triung.

The xJGs other main company called gas-guzzler tax, a penalty to the customer for bed fewen.

The xJGs other main company on the total company on the customer for the xJGs as success from 1990 Jaguar was tracted the so-called gas-guzzle

#### Unesco's eastern promise

The surprise announcement of Amadou Mahtar M'Bow that be would not stand for a third would not stand for a third term as director general of Unesco bas triggered off the succession battle et the troubled United Nations agency for education, science and culture. The smart money is on a candidate from Asia being chosen.

The future bead of the Parisbased organisation will take over from the Senegalese director general when be steps down

tor general when be steps down at the end of next year. The new dg's task will involve beal-ing the deep wounds that the MBow management created at Unesco during the past 12 years. Although France continues to bope that the next director general will again be a franco-phone — the name of Pierre Trudeau, the former Canadian prime minster, has been mentioned as a possible candidate
the successor is likely to
come from a non-French-speak-

come from a non-French-speaking country.
Heading the list is Prince
Sadruddin Aga Khan, the former UN high commissioner
for refugees. However, he is
also believed to be interested in
the top UN job of secretary
general should the current secretary general, Javier Perez de Cueller of Peru, not be re-elected for a second term.

Other candidates include Victor Antonio Machado, a former Portuguese foreign minister, whom Lisbon is planning to put forward; and possibly Gough Whitlam, the former Australian prime minister, who has served Unesco since leaving Australian politics.

There is a general sentiment

that the next director general abould come from an Asian Although he will not put fortoday when the executive coun-cil of Unesco will send letters from Japan, Sweden, France, to all member states to submit Brazil, Portugal, Denmark and to all member states to submit names of their candidates by

**Men and Matters** 

#### **Hot Currie**

Mrs Edwina Currie, the recently-appointed junior health minister who has upset governminister who has upset government supporters as well as its critics by her condemnatory comments about the lifestyle of people living in the north of England, received a cool response when she was introduced to the Conservative Party conference at Bournemonth vertextage.

April next year. The winner will be known in the antumn of 1987.

conference at Bournemonth yesterday.
But Mrs Currie had the consolation of knowing that the Conservative Party machine has shown no such reluctance in trumpeting her achievements.
According to Conservative News Line, an official party publication, she has been appointed parliamentary under secretary to the Prime Minister. appointed parliamentary inder secretary to the Prime Minister. Clearly Mrs Thatcher has at least one rival she should not underestimate.

#### One's bones

British publisher, Peter Wolfe, seems to have timed his latest venture perfectly.

The Human Skeleton, a fold-

ont, life-size, photographic manual for students of anatomy, is published this week just as India's ban on the export of human skeletons is

Although he will not put forward his name as a candidate, Mr Soedjatmoko, the Indonesian rector of the UN university in Tokyo, could he drafted as a possible successor. The Dutch appear to be interested in supporting him for M'Bow's job.

The search for a successor to M'Bow will officially begin is taking an initial 10,000 and

### Finland. Wolfe sold the idea

France by superimposing his bones on a full-length photograph of a "pin-up girl." But, with orders for some 85,000 copies already, be reckons the manual will not need such pre-sentational aids again.

sentational aids again.

The book has been produced by Prof. Robert McMinn and Balph Hutchings, authors of Woife'e best-selling Atlas of Human Anatomy. That is now published in 18 praguages—and an edition for Thailand will shortly be edded.

"We now have the highest properties." percentage exports of any British publisher," Wolfe claims. "Fortunately, the buman body does not change very much."

#### Annie does better For the first time a woman will receive one of the top awards



in the wool business tomorrow. Anne - Marie Hutchison, mother of three teenage girls, from Kentucky in New South Wales, will be presented with the Lumb Golden Bale Award for the breeder with the best superfine wool

The award will be presented by Teddy Lumb who instituted ten years ago.
Ann-Marie Hutchison came

Ann-Marie Hutchison came into her 14,000-acre sheep station by eccident. She is married to a solicitor. There were no men to take over the station after her father died. So she seized the opportunity to prove, like Annie Oakley, that anything a man could do she could do better.

Lumb, a sprightly 80, will not be trying to outdo Mrs. Hutchison. As the fifth generation of the family running Lumbs be knows all there is to know about fine wool.

Allied Tratiles of which Affied Textiles, of which Lumbs is now part, probably makes the finest, and dearest, worsted in the world. The comparry was the first to spin wool after dyeing, so allowing the breakthrough from plain colours to the fancy cloths that are now the rage round the world.

#### Pillar dollar

Tradition has it, says London umismatist, Howard Sin that the \$ sign was derived from the beribboned Pillars of Hercules stamped on a Spanish American coin that eventually became the model for the first US coinage.

Many of those "pillar dollars" were among the treasure re-covered from the Dutch East Indiaman, Hollandia, which sank off the Scilly Isles in 1743 and was discovered by a team of divers in 1971.

Now art medallist, Ron Dut-ton, has used fragments of the silver from the Hollandie's cargo to produce a collector's piece—a medal which incorporates the Pillars in its design. There was anly enough silver to make 1,900 of the medals which will sell at £49.50 each.

Observer

# Ermenegildo Zegna Beale & Inman L.

Beale & Inman invite you to see their extensive range of Ermenegildo Zegna clothes featuring fine wool suits and pure cashmere jackets. Ermeneglido Zegna pride themselves on being a hallmark of quality that can be found only in the finest stores throughout the world.

131-132 New Bond Street, London W1

October 6th-October 18th

"If the price is right, we are going to sell. I think that's true of everything you have, except maybe your kids and possibly your wife." Caxl Icahn, March 1984

ay October 8 18

SIX MONTHS AGO, Mr Carl SIX MONTHS AGO, Mr Carl Icahn, probably the most feared corporate raider on Wall Street, appeared to have met his match. TWA, the big transatiantic airline which he had recently acquired after e bitter takeover battle, was losing an estimated \$1m a day, Mr Icahn was showing huga losses on his was showing buge losses on his \$300m investment and Wall Street was alive with whispers that he had lost his Midas

Since then TWA has bounced hack into profit, its share price has doubled to eround \$26, and the 50-yearold Mr Icahn can now turn his ettention to his higgest target yet—USX Corporation. A pillar of the US industrial establishment, USX traces its history back to 1901 when J. P. Morgan, the wealthy New York financier, acquired Andrew Carnegie's steel company and merged it with several other companies to create the mighty US Steel, renamed USX a few

months ago.
Mr Icalm is now poised to
unscramble one of America's
most famous companies in e move which may well come to be remembered as the "ultimate" in corporate raids —the most daring example of the recent financial manoeuvres the recent financial manoeuvres on Wall Street which have pitted men like Mr Icahn, Mr T. Boone Pickens, Sir James Goldsmith and Mr Saul Steinberg against the industrial establishment. Notwithstanding the sharp run-up in share prices over the last year which has scared away some corporate predators, Mr Icahn is a veteran raider who has an uncanny sense of the "value" of a company. of a company. His "friendly" \$8bn offer

His "friendly" \$8bn offer for USX ranks amongst the biggest takeover bids in US corporate history and is only dwarfed by Chevron's \$13.2bn bid for Gulf Oil and Texaco'a \$10.1bn bid for Getty Oil.

USX is fust the latest in a long list of cmpanies — ranging from Marshall Field, to Uniroyal, Phillips Petroleum and Union Carbide — which have crossed Mr Icahn's financial sunsights. Over the past cial gunsights. Over the past few years he has averaged one corporate raid every three months or so.

months or so.

His aim so far has been deadly. He has acquired a reputation on Wall Street as probably the shrewdest of the probably the strewdest of the latest generation of corporate raiders. Mr Richard Bilotti, who follows the high yield "junk bond" market for L. F. Botischild, Unterberg, Towbin, and is a frequent critic of some of Mr Icahn's manoeuvres, describes Carl Jesha as one of the

il. il.

Carl Icahn's bid for USX

### 'I want to make money'

By William Hall in New York

money on almost everything he has touched," says Mr Bilotti.

This helps explain why Mr. Ichn's investment banker, Drexel Burnham Lambert is article a few years ago
"highly confident" that it can raise up to \$5.40n of funds to match the \$10n Mr Icahn is committing to his latest venture. Amongst the wealthy investors who have ridden on the Icahn coat tails in past raids are Mr Saul Steinberg, the Belzberg family and Mr Charlie Knapp, all of whom have made the financial head-lines as predators in their own the company, which employs investors who have ridden on the Icahn coat tails in past raids are Mr Saul Steinberg, the Belzberg family and Mr Charlie Knapp, all of whom have made the financial head-lines as predators in their own right recently. The word on Wall Street is that Mr Icahn can attract the "smart money." Outside of Wall Street, he has Can attract the "smart money."
Outside of Wall Street, he has a less flattering reputation and Institutional Investor magazine once dubbed him "the man chief executive officers love to hate."
Mr C. E. Meyer, a past president of Trans World Airlines, called Mr Icahn "one of the greediest men on earth" in Congressional testimony, last year gressional testimony last year and Phillips Petroleum, another adversary, has described him as nothing more than "a predator out for a fast buck."

out for a fast buck."

Mr Icahn, whose 27th floor office in a midtown New York skyscraper is said to be decorated with framed pictures of the annual reports of target companies, admitted to e reporter some years ago that "I'm no Robin Hood. I'm out to make money." Mr John Boland, an American author who bas followed his exploits closely, says that "professional bargain hunthet "professional bargain hun-ters like Carl Icahn aren't white knights bent on rescuing small shareholders from bondage, They are self-serving fortune

Mr Icahn is equally unflattering about many of his oppo-nents. He does not hide his ardent belief that the managements of many US companies need shaking np. "The men who cribes Carl Icahn as one of the run Corporate America today foremost investors in the US. are the same fellows who used "He is brilliant. He has made to be the fraternity presidents

the company, which employs 80,000 people, has a turnover of close to \$20bn a year and is facing one of the most serious industrial disputes in

its prond history. Cari Icahn has not always attracted such a following on Wall Street. His mother was a school teacher and his father e lawyer and he first distin-guished himself by becoming the first boy from his school, in e relatively poor section of the borough of Queens in New York, to win a place at Princeton, one of the top lvy League universities in the US, where he studied philosophy.

he studied philosophy.

He started ont on Wall
Street working as an options
trader before setting up his
own firm, Icahn & Co, in 1968.
For the next few years he
specialised in arbitraging
stocks—a relatively risky trading strategy—before he began
to take investment positions
in publicly quoted companies. One of his earliest moves was to make a bid for Marshall Field, the Chicago department store giant. Although he lost out to BAT Industries, the UK tobacco conglomerate, be nearly trehied his money on the investment, and used this new-found wealth to finance bigger found wealth to finance bigger raids on aleepy members of the US corporate establishment. For years his strategy appeared to be to take a stra-



on the US corporate scene

threatening noises to the management and then either have his shares repurchased by the company—a process known as "greenmail"—or sell them at a profit in the stock market.

at a profit in the stock market.
One of the very few exceptions to this strategy was his takeover of TWA last year. Shortly after he had acquired control of the struggling carrier, there was an outbreak of terrorism in Europe and the Middle East which took e heavy toll of TWA's big overseas business. This was followed by a strike of the airline's cabin ettendants which severely disrupted services. The company lost over \$250m in the first half of 1986 and Mr Icahn found himself in the unusual position

himself in the unusual position of running a major international airline.
His ability to transform TWA'a fortunes in less than six months has impressed his followers on Wall Street.
To achieve this extraordinary turnaround has required a fairly savage tonch on the part of Mr Icahn and his new executive team, which includes Mr Joseph Corr, a long-time associate. associate. Costs have been cut dramati-

cally and wage concessions forced through with the company's unions. The result hat been short term cost savings of an estimated \$600m a year.

quarter, a period when it nor-mally loses money. The steady rise in the TWA share price in recent weeks reflects Wall Street's confidence in Mr ha's ability to turn the com-

leahn's ability to turn the com-pany around.

However, some analysts remain sceptical. They note that the third quarter was one of the best periods in the his-tory of the US airline industry and any carrier not making money was in serious trouble.

TWA'e long-term future is in a state of flux. Mr Icahn is believed to be seeking a marriage partner for his airline which perhaps explains why he has been talking so publicly about its improving fortunes and he has given no fortunes and he has given no indication of his ionger term plans — especially on the question of the replacement of its ageing fleet.

Mr Richard Bilotti of L. F Rothschild remains sceptical about Cari Icahn's success with TWA and questions bow much more debt Mr Icahn can pile up in his quest totake on indus-trial titans like USK. "It only takes one small problem and the whole thing can crash," says Mr Bilotti.

But those who have put their faith in Mr Icahn's Houdini-like financial skills-not least investof an estimated \$600m a year, ment bankers Drexel Burnham

TWA is forecast to have Lambert who have reaped handmade \$70m in tha third quarter and Mr Icahn says it will oration—so far have found little like 100 years. One bundred register a profit in the current cause for regret.

| Ships classed A1 at Lloyd's are still mysteriously lost from time,

Nuclear power stations

### For safety's sake, let caution prevail

By Sir Christopher Cockerell

power stations, and if economics were the only consideration, then the case is made. However, the public is not concerned with economics but

worried.

For the ordinary man and also for the engineer who is not an expert but who has some not an expert out who has some feel for engineering, the safety aspect has not been put across in any sort of a convincing way. Indeed, certain important aspects do not seem to have been faced up to at all.

Experts have said that the probability of a catastrophe in a modern ouclear power station is of the order of one in 30,000 years. Very impressive. However, there are in this country 16 stations, and this means that the probability of one of them failing is reduced to one in 1,875 years.

Further, if later we produced all our electricity by nuclear power stations, which would mean shout 50 stations, the probability of a fallore would be reduced to one failure on average every 600 years. Again probabilities are "funny things." It is not possible to say when the feilures might happen. It might be one this year and two in the next 600-year period, and none in the

We are all familiar with this sort of thing. An electric light bulb should have on average a life of about 2,000 hours, but now and again one goes as soon as we ping it in; some few go after two or three days, and many others last more than 2,000 hours.

As we have seen from the Chernobyl catastrophe—which was not as serious as it could have been—the damage can spread over au enormous distance, 1,000 miles or so. This means that nuclear power stations in France and others in Europe put us at risk,

If all the countries within 1,000 miles of us go noclear, then there might be 300 or 400 stations within range, and the likelihood of a catastrophe would be redoced down from

THERE HAVE been various the 30,000 years of the experts. The third and very important persuasive articles on the Suppose that the whole world ceuse of failures of man-made economic case for nuclear goes for nuclear power things is that of the human things is that of the human errors of those monitoring the There is a sense in which largely eutomated modern devices, Apparently humans year in and year oot cannot

the design of a nuclear power station is different from ali other engineering products. In the early days of ships, rail-ways, motor cars and eero-planes, there were iots of with safety, and is deeply breakdowns and accidents, and these were accepted; while the engineers gradually with each new design improved the safety and the reliebility of the products over the years.

One may ask why the engineer of those days could not sit down and use his brains and produce a masterpiece? But it seems that our brains don't work that way. The best that we humans seem to be able to do is to engage in a "suck it and see" process, much like the evolution of much like the evolution of nature, improving things little by little with each new ettempt. The American space programme, an amazing achievement, but nevertheless with two ghastly mistakes, makes this point. With all the thought and with modern knowledge, design mistakes still happened.

Now consider the design of e nuclear power station. A failure could be so catastronhic that the design team could no ionger use the "suck it and see" process, but has got to achieve the masterpiece in one times and schlere a reliability. jump and achieve a reliability many thousands of times better

than, say, that of the Concorde.

As an engineer I find it frightening. And the experts dare to talk of a failure rate of one in 30,000 years. of one in 30,000 years.

On top of failures due to imperfections of design, are failures forced upon the design team due to economics, due to having to work to a date; and then due to the imperfections of materials, non-homogeneity, fatigue, cracking, change with time, etc. Other failures can arise due to imperfections by the constructor, and in components not specifically designed to have the reliability required for use in a nuclear power station. How can one put a reliability figure on these

human monitoring, it would appear that we must adopt the idea of the three chronometers or marine clocks which ships used to carry before the advent of wireless, so that the navi-gator could check one with the others. At the least wa must bave four teams of buman monitors in separate rooms with four sets of instruments linked in such a way that at jeast three control signals agree before control action takes place. This, of course, costs

more, but only in some way

like this can we reduce human

do much better than one mis-take in 100 decisions; and this

is not nearly good enough. The easy answer would therefore appear to be even more auto-

I believe that the tube trains in London have a signalling system backed up by a second

system, backed up by a third system, backed up by a fourth

system—but even this has failed. So we must still have bumans monitoring the system.

however much automation we have, in order to cover those

things which have not been To increase the reliability of

errors to an acceptable level, say one error in 1,000,000 decisions. All this still does not cover every possible cause of a catastrophe. In a minor war (such as the Falklands war), how do we cope with power stations being hombed, or otherwise blown up? That is not likely

we require a breathing space to re-assess the situation from all aspects.

Sir Christopher Cockerell is an engineer. He invented the hovercraft,

### Sealink and the

Sir,—The dispute centred around the Channel Island ferry services has resulted in some criticism of Sealink for insensitive handling of the problem, but so far I have seen no comment upon the circumstances which gave rise to it.

Although there has been a ferry link between the islands and the mainland for very many and the maintaind for very many years, its profit-billity in the summer season has always been greatly reduced by the requirement to maintain winter services, and this was a major reason why there was traditionally only one company operating such a ferry.

The decision by the Channel Island authorities to allow rival companies to offer competing services from 1985 was one which, from the start, seemed

which, from the start, seemed, economically questionable, even without the introduction of other adverse factors. In the summer of 1985, however, Jersey allowed an unprecedented increase in cheap holiday charter flights from all parts of the UK, at exactly the same time that it acquired parts of the UR, at exactly the same time that it acquired the extra ferry capacity. More recently, as recorded in your paper, certain major car producers were allowed to import extraordinary numbers of new vehicles into Jersey, a device which apparently enabled them to improve their sales statistics, but which also artificially reduced the cost of hirring holiday cars. Consequently, the tourist who traditionally travelled to the islands by boat was jured into the air by the new low fares; and the family who would otherwise have taken their own car on the ferry now found it more economically sensible to hire one instead. Small wonder that the shipowners found their

the shipowners found their losses unacceptable. Should not some of the criticism be aimed at those responsible for planning the islands' economic policies, since the apparent lack of coordination of different aspects of the tourist industry see to be a real cause of the present

W. H. K. Simpson, Slough Lane, Buckland, Surrey.

### A lot of happy

Sir,—The comments of Lex (October 4) regarding the impact of the proposed merger of "Little Chef" and "Happy Eater" appear to be based on a misunderstanding of the road-side catering business.

Little Chef and Happy Eater have a policy of discouraging custom from lorry drivers, so "Micks Cafe" is unlikely to be driven out of business.

#### and the fire upon or good of Letters to the Editor

As operators of cafes aimed directly at lorry drivers we welcome the proposed merger, if only because it should reduce competitive bidding for sites. As a private motorist, however, I would be astonished if the merger did not result in higher prices leading to an increase in what are already generous profit margins. A shortage of good sites is only one reason why it would take a rival organisation an absolute miniorganization and account and accompetitive chain. Indeed the history of both Little Chef and Happy Eater indicates the probable timescale.

Overall this seems to be a classic case for referral to the Monopolies and Mergers

J. D. Spiers, Truckers Cateting, 48 King Street, Royston, Herts.

#### The history of coal

Sir,—Mr John Lloyd, in his review of Sir Ian McGregor's book (October 4), states thet there was a view in the "bureaucracy" that "under the dual control" of Joe Gormley and myself in the 1970s "inefficient of the control of the control of Joe Gormley and myself in the 1970s "inefficient of the control of ciencies developed and big loss-making coal pits were not closed." If this view is held it

is a travesty of the facts. Throughout the period which we were involved old loss-making capacity was being closed and new capacity being introduced. There had to be a balance between the two because until the economic recession of 1979-80 there was a strong demand for coal and new capacity took time to introduce. The closures occurred quietly by local agreement and, with few exceptions, were not the subject of national contro-

Throughout the period, also, the Government's financial objectives, as agreed each year, were met. This applied particu-larly to each limits to which the Government attached overrid-

ing importance. Furthermore, in our time, the productivity scheme was introduced (in spite of much internal opposition); there were continued improvements

The implication that Little Chef and Happy Eater only have a 1 per cent market share of roadside catering is arrant nonsense. Any private motorist should be eware that these two organisations already dominate trunk road catering.

As operators of cafes aimed directly at lorry drivers we welcome the proposed merger, if only because it should reduce competitive bidding for sites. As a private motorist, however, I would be astonished if the

sources).

It is a sad reflection on present thinking about industry that the achievement of a past chairman of the NCB should apparently be measured by the number of pits closed, Impor-tant as this may be there are other more positive things to go for as well.

Derek Ezra. House of Lords, SW1.

#### Patently insecure

From Mr E. Parker.
Sir,—The abolition of the patent agents monopoly recompatent agents monopoly recom-mended by the Office of Fair Trading could lead to Soviet-style patent and licensing agen-cies offering (subsidised?) patenting services in the UK, with the aim of bypassing the national security programs of national security provisions of the Patents Act, so as to have early access to British techno-

earry access to British technological innovations.

Another consequence could be the influx of American patent lawyers, siming to win (ultimately for the USA) some of the £80m "invisibles" earned by UK patent agents.

If the Convenient is really . If the Government is really serious about supporting and encouraging British intellectual property then it should seriously question this OFT recommendation; and, if nothing else, why the OFT conclusions are based on such an imrepresentative patent-user sample as 2.66 per cent.

Eric T. Parker. PO Box 22, 63, Lincoln's Inn Fields, WC2.

#### Raise the tax threshold

From Mr L. Littman .Sir,—It is Mr Lawson's declared aim to reduce the basic rate of income tax during this government's term of office to 25 per cent of people's

and yet confer relatively little benefit to the tax paying public. A far greater benefit would result if the money so ear-tax threshold, so that no one would pay income tax on the first £80 per week of their income. Not only would such a move result in a surge to work of many of those who now choose to live off welfare pay-ments, but would encourage those who have employment to work overtime. It would also do much to lift the burden of poverty from the shoulders of single men and women whose present income, after payment of tax and National Insurance it pitifully inadequate. L. T. S. Littman. 74 Addison Rd W14

#### Unworthy jibe at lay magistracy

Sir, — Your legal correspondent's jibe et the law magistracy ("Changes thet justice de-mands"—September 25) is

mworthy of your newspaper. Magistrates are not "un trained." They undergo con-siderable training in the various disciplines with which they have to deal. They are not "un-tested and . . inexperienced." The Bench is normally comwhom have been selected for their suitability for indicial office, and in dealing with cases the Bench will be chaired by e person with considerable e person with considerable experience. In addition, it should be remembered that their principal function is to assess the facts and to impose the appropriate sentence. They are guided on matters of law by their clerk, who is invariably legally qualified.

Your correspondent suggests that magistrates as a group are

that magistrates as a group are "nominated by local party organisations." This is a serious distortion of the facts. It is open to engone to apply for the magistracy and applications are welcomed from individuals. groups or organisations. In fact, only e small percentage of applications come directly from political organisations. The Lord Chancellor has made it clear on a number of occasions that he wishes to see each Bench broadly redect the area it serves. That means that the only in terms of political out-look but also in occupation, sex

Where most thinking people will agree with your corres-pondent is in his description of magistrates as "worthies." The 27,000 public-spirited people in England and Wales who voluntarily undertake this demanding and important lob in the administration of justice, without financial reward, are indeed worthy of respect and edmiration. May I plead with him to edmiration.

abandon a target which will Dr D. I. Acres, cost the Exchequer a great deal 28 Fizzoy Square, W1.

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### **FINANCIAL TIMES**

Wednesday October 8 1986



### Jaguar's new car wins US fuel tax boost

By Kenneth Gooding in London THE US authorities have told Jaguar that its new XJ6 saloons, previ-ously code-named XJ40, will not have to pay gas guzzler tax, a decision that will save the UK luxury

car company at least \$15m a year.

Jaguar launches the new XJ6 in Europe today after a six-year, £200m investment programme, and says it will now make a determined attack on the upper end of the executive car sector as well as increasing its penetration of the

world's luxury car markets.

The old XJ6 Jaguars, now replaced by the new XJ6, will this year attract \$850 each in gas-guz-zler tax, imposed in the US to emphasise that it is anti-social to drive cars which drink too much fuel.

In theory the tax is paid by the customer but in fact it is absorbed by the manofacturer, and Mr John Edwards, Jaguar's finance director, said the retail price of the new XJ6 in the US would continue to be fixed by reference to competitive models - a little above Cadillac and Lincoln prices but below those for the BMW 7-series and Mercedes Sclass models.

The saving Jaguar makes on gas-guzzler tax alone "is not a bad return on our investment," be added. The new XJ6 range, possible the most eagerly awaited in the history of the UK motor industry, starts at £16,495 (£23,750) in the UK and will have an "entry" price of about DM 70,000 (\$35,350) in West Germany.

This puts the new Jaguar into serious contention with the Ford Scorpio, mid-range BMWs and Mercedes models, and top-of-the-range Audi and Volvo cars at the upper end of the executive sector, as well as its traditional huxury-class

The newcomer also clashes headon with Austin Rover's recently launched Rover Sterling, developed jointly with Honda of Japan, which has a UK price of £16,794.

Sir John Egan, Jaguar's chair-man, suggests that this is one of the benefits of his company's return to the private sector from the stateowned Rover Group two years ago. If Jaguar had remained in the same group as Austin Rover, it almost certainly would not bave been permitted to develop a competitor to the Sterling, be says.

In the early 1970s, just after the of the original XJ6. Ja sold 11,000 cars a year in the UK compared with 8,050 last year. The aim is to double TIK sales from the present level by broadening the ap-

Jaguar's fast but narrow lane,

#### Tories' pledge on sell-offs

new lettings of private housing which are agreed with a new category of officially registered land-lords. The aim is to stimulate the revival of private renting by encou-

ence theme of projecting a sense of direction and movement

we have been more radical and

#### THE MOVE BY EUROPEAN CENTRAL BANKS TO HALT \$ SLIDE

### Bankers match words with action

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

EUROPEAN central banks vesterday finally matched words with ac-tion. After weeks of threatening a concerted move to support the dollar and some sporadic intervention by West Germany's Bundesbank, the central banks acted in unison to signal to the markets that selling the US currency is not a one-way

The immediate reaction was what they hoped for. The dollar recovered above what the markets have come to regard as the pyschologically important DM 2,000 level. and a few currency speculators got their fingers burnt.

The central banks themselves, however, are aware that intervention in the European and perhaps the Tokyo markets offers only a short-term answer to their prob-

Unless there is a shift in Washington's attitudes to the role that a falling currency can play in cutting the US trade deficit, or signs of a significant pick-up in US growth, some further dollar depreciation is widely regarded as inevitable.

The decision to act to slow such a decline was made at last week's meetings of central bankers and finance ministers at the International Monetary Fund in Washington. Some central bankers clearly some central bankers cearry thought the threat might be enough and spent much of their time in Washington telling reporters how firmly they would act, but the markets were only briefly impressed.

The co-ordination followed the mark to blunt refusal of the US Administra-

BY LOUISE KEHOE IN SAN FRANCISCO

ufacturer, yesterday introduced an important addition to its range of

a "mini" version of its main frame

computers. The new machine is

seen as a defence against increas-

ng competition from makers of

igh-performance mini-computers,

\$500,000, the new series \$370 com-puters cover a range of departmen-

tal and small-business computing needs for about 10 to 100 users. This

is a sector where IBM has been seen to be particularly vulnerable

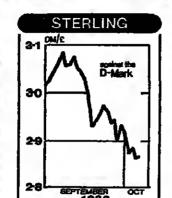
to pressure from its competitors.

To help meet this challenge, IBM

ble with its recently launched Sier-

has made the new series compati- \$6.58bn in 1984.

ffice computers with the launch of



tion to agree to stabilise the dollar unless West Germany and other leading industrial countries did more to stimulate their economies, in particular by cutting interest

European Community finance min-isters and central bankers in Gleneagles, Scotland, governments had sought to talk up the dollar in the expectation of discord in Washington. The aim then was to push up the US currency to a level from which it could fall without causing chaos in the markets. For most European governments

the first priority is to prevent a realignment in the European Monetary System. Early last month the dol-lar's steady decline created intense strains in the system, forcing heavy intervention by France and Den-mark to defend their currencies

IBM fights back with

'mini' mainframe model

IBM, the largest US computer man-the medium-sized computer market earnings in 1987. But while analysts

- the "super-minicomputers" - to

the larger mainframes which can

The same software will run on all

The launch of the new range

Only a few weeks ago it announced plans to cut its 242,000-

strong US workforce by 12,000 by

the end of the year, and the group is widely expected to suffer a further

downturn in earnings this year for

the second year in succession. Last

The new machine is only due to

year it earned \$6.56bn against

all communicate with each other.

machines, reducing their running costs and making them easier to op-

erate as a total system.

business to competitors.

including Digital Equipment, who comes at a low ebb in IBM's for-have been eroding IBM's dominant tunes, when it has been suffering role in the office-computer market.

Priced at between \$75,000 and computer industry and a loss of

ra range of mainframe computers. go into volume delivery in the third

nance minister, made it clear that dollars they can go on interven his Government was not prepared almost indefinitely. That would imto accept a second devaluation of ply, however, pumping excess lithe franc within six months of coming to office.

in defending current EMS parities. not accept.

The Bank of England, which par-

Sterling has been undermined by longer-tarm pessimism about Brit-ain's economic outlook and shorterterm worries about the oil price and money supply, and a falling dollar has tended to drag it lower as investors switched into D-Marks.

The second major concern of the Europeans is one that has been frequently voiced by Mr Paul Voicker, the chairman of the US Federal Reserve: that a further dollar depreciation from current levels runs the risks of provoking a free-fall in the US currency's value. That could reignite inflationary fears in the US, push up interest rates and possibly nudge the world economy into

If those provide good grounds for European central bank action, there are several constraints on the long-term effectiveness of interven-

were cautious about the overall long-term effect of the new range

on the group's performance, they generally welcomed it as a step in

There is widespread agreement in the computer industry that the

variety and incompatibility of IBM's offerings in the market for

posed a serious drag on the compa-

ter consultants, said the new com-puters were aimed primarily at big

corporate customers who were al-

ready using IBM's large main-

There are a number of compa

nies who want to be an IBM shop

exclusively and they have had a

hard time implementing that plan

because IBM lacked a mid-range

the Government effectively opened

Mr Craig Symons, of Gartner

im-sized machines has im-

the right direction.

At the Gleneagles meeting Mr In theory, since central banks are Edouard Balladur, the French fi- adding to their reserves by buying

The message from Paris was that set by reducing flows of funds to the if the Bundesbank was not pre-markets in other day-to-day operapared to slow the rush of funds tions, but continual intervention from dollars into D-Marks by cut- would eventually show up in faster ting West German interest rates, money supply growth, something then it would have to take the lead West Germany, for example, would

Much more important, however, the Bank of England, which par-ticipeted in yesterday's joint action by selling D-Marks against sterling and, possibly, D-Marks against dol-lars, has different reasons for con-time being stopped aggressively US Treasury Secretary has for the time being stopped aggressively talking down the dollar's value.

European central bankers are conscious, however, that if the US remains unsatisfied with economic growth abroad or with progress in reducing its trade delicit, then a few well-chosen words by Mr Baker could neutralise the impact of inter-

Despite the publication earlier this week of some lackhustre figures for West German industrial production, the Bundesbank does not appear to have shifted from its view that that it will not bow to US pressure for an early cut in its interest

But the Washington Administra tion's main lever in pressuring West Germany to reduce borrowing costs is the threat of a lower dollar. How long it will be prepared to allow Eu-ropean central banks to neutralise that weapon is an open question.

### London attempts to ban report on Saudis

THE BRITISH Foreign Office will this morning seek a High Court injunction to prevent the left-wing New Statesman magazine pub-lishing extracts from the valedictory dispatch of Sir James Craig, former British Ambassador to Saudi

Mr John Lloyd, editor of the New Statesman, said last night that the request for an injunction would be

The content of the Craig docu-ment is a view by him of Saudi society. It does not in any way impinge of state security. His views are apeign Office and the diplomatic com munity," he said. Saudi Arabia is extremely sensi

tive about official or press criticism of its leadership, government or so ciety. The showing of the television film Death of a Princess brought a particularly fierce reaction during Sir James Craig's period as ambas-sador in Saudi Arabia which ended in 1984. He was asked to leave the

country for several weeks. There is anxiety in Whitehall that disclosures of sensitive Foreign Office documents could possibly jeop-ardise the visit to Saudi Arabia next month of the Prince and Princess of

Sir James was one of the Foreign Office's leading Arabists and before Saudi Arabia served as ambassador to Syria. He is chairman of the Saudi-British society and director of the Middle East Association.

The Commission cannot accept that Japan and the US determine prices to be paid by European users on the basis of e bilateral understanding," they said at the

about the possibility of "discrimina tory market access" in Japan aris ing out of the deal. They did not ob ject to those parts of the agreement seeking to eliminate Japanese chip dumping in the US market.

In spite of messages both to the Ministry of International Trade and Industry (Miti) in Japan, and to Mr Clayton Yeutter, the US Trade Representative, "the Community is dis-satisfied with what it has learned about the semis deal," the Commis sion official said last night.

The parallel actions to be launched by the EEC will be to seek consultations under Article 22 of the Gatt, also to begin action under Article 15 of the anti-dumping code

THE LEX COLUMN

### Mother Hubbard's bear squeeze

Burning speculators appears to be getting harder. The widest cen-tral bank intervention in favour of the dollar – with hundreds of millions of dollars purchased - had only the most temporary effect yester

The idea that bears have been running large short positions, in dollars or sterling, which can be ef-fectively squeezed is losing credibility as the intervention proceeds; if the normal trading strategy is to open new bear positions at each step down the slope, there may not be much for central banks to jump

So far as the UK authorities are concerned, that makes it all the more important to present a convincing policy for money and the ex-change rate. Though the September money figures were much less bad than the market had expected last week, and bank lending a great deal lower, the numbers do not do much to remove the impression that credit is extremely loose.

Underneath the technicalities, it seems likely that low bank lending is parity accounted for by the high PSBR, and a helpfully negative ex-ternal item largely due to the Au-gust trade deficit, no room for encouragement there. Not unreason able, in sum, for the money market to continue discounting higher base rates while sterling sags.

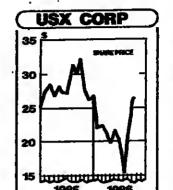
#### USX

The roller-coaster turnover in USX shares has been signalling for some time that the company was ripe for some enforced share-price enhancement.

The market was only waiting for an SEC filing to show one or other of the usual suspects with a 5 per cent stake. As it is, Mr Carl Icahn, after a brief period of industrial management at TWA, has returned to maximising shareholder values through the share register. The only surprise is the level of

the bid at \$31 a share and in cash, Mr Icahn has pitched his offer for USX within the broad range of \$30-\$40 a share that the market had placed on a break-up value and at nearly twice the level the shares were trading when Mr Holmes à Court put USX on the block in An-

er the run-up in the shares to \$28 the register and bringing in the ar-



USX may now be in the hands of

those 12 good men and true.

If Mr Icahn actually wants to buy
the company rather than terrify the USX management, he can probably raise the money. The gearing up of TWA has added another war chest of \$700m or more to the hoard of \$600 which ACF is said to be holding and if anybody can raise \$6bn from a market that has not exactly been starved of junk paper it is

Whether Mr Icahn will get the chance to try out some of his TWA exercises - such as the sale of equity to striking steelworkers as an in-centive to a pay cuts – will depend on USX's management. It is closeted with two investment banks.

If past form in this sort of trans-action is any guide, the next two weeks will probably bring plans to give shareholders an immediate chunk of any future value in the oil and gas businesses, equity trans-formed into debt and a disposal or

Sears has achieved its 9 per cent increase in trading profits the hard way. Rather than that gradual across the board acceleration favoured by the purists, Sears' progof a good car plagued with a backfiring problem.
So an outstanding performance

by the Wallis stores is checked by losses of about £3m in the Lewis chain. Or a smooth 3 per cent volume increase in the European footwear business is countered by yet come before the expiry date and another deterioration in results scrambled to cover in the physical

Butler has now managed to make

shaken up, but Sears is not the first UK company to show too much patience with acquired US manage

The 66 per cent growth in li-The 66 per cent growth in fi-censed betting profits is impressive, but probably does not mean much of an increase in market share. While rain may be bad for selling, the latest range of summer shoes it? notoriously shifts the odds in favour of bookmakers by destroying the

The 1% percentage point increase in William Hill margins is proof of this. But earnings growth here is hardly of retail-sector quality and pins Sears to its now traditional dis-

#### Traded options

Yet again the options market is being credited with the power to make underlying share prices run wild. RTZ and Grand Metropolitan are just two companies currently said to be getting the treatment. But despite the options market's growth, the notion that what happens on the traded options pitch de ermines the course of the equity market is no more than fantasy.

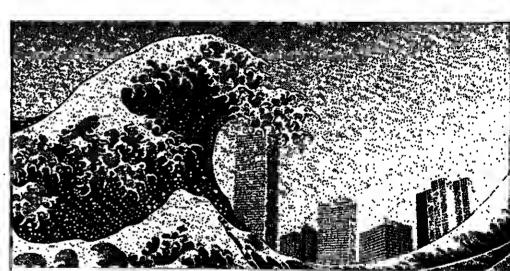
An average daily volume of 20,000 contracts, representing 20m shares, is not about to shift a market that generally trades 200m and often 300m shares a day. And a 100,000 share deal done in the underlying shares by an option market-make covering a position should not prove too much for a jobber who is usually making a price in 500,000 shares. A big day's trade in the options on me share can leave the underlying price unchanged.

What investors must watch out for are the odd occasions when the options tail does wag the market dog; a careful study of open interest positions can be instructive.

The case of Grand Metropolitan In recent days probably reflects buying in the last few weeks of the 420p calls due to expire this month by those hoping for a bid.

While the shares were under 420; the option market makers did not need to cover their positions. When the shares moved up they were exposed to the risk that a bid could from Butler Shoe Corporation in market, so pushing the price up the US.

market, so pushing the price up more. But if blame for increasing volatility in markets needs to be yesterday as the price of liquefying a loss, so the weakness in the dollar laid anywhere it is with the ruthe register and bringing in the arcame at the right time for Sears. mour mongers, whether or not they bitrageurs: as much as a third of The Butler team is at last being are options traders.



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### The company will now have a range quarter of next year, and is expect-of machines from the lower end of ed to have little impact on IBM's Bonn ruling parties close ranks

Continued from Page 1

raging building societies, pension funds and other institutions to pro-

In his keynote speech, Mr Nor-

Apart from Mr Tebbit the warmest reception was given to Mr Kenneth Baker, the Education Secretary, who strengthened his pros-pects as a possible long-term successor to Mrs Margaret Thatcher as party leader in a speech intended to regain the initiative for the Government on what has become a major US nuclear weapons from the UK if

vide such accommodation. These initiatives are part of the

man Tebbit, the party chairman, said the Conservatives were "the only credible party of government" and said that the lesson of past successes and current problems was "that we bave succeeded best when

#### to denounce SDP's policies BY PETER BRUCE IN MAINZ

WEST GERMANY'S governing Christian Democrats and Christian Social Union (CDU/CSU) parties buried their pre-election differences vesterday in a series of stinging attacks on the opposition Social Democrats defence and foreign policies and on the country's trade

union movement.

To loud cheers at the CDU convention in Mainz, Mr Franz Josef Strauss, the Bavarian leader and chairman of the CSU, warned thet SPD opposition to the stationing in Germany of US Pershing II and cruise missiles could lead the country into neutral nationalism. He accused the opposition of constantly and callously whipping up hysteria

about nuclear war. He also attacked the British Labour Party's decision to remove all an event would be "very serious." Mr Strauss, who had upset some CDU leaders by threatening to enter the campaign for next January's election with his own and not, as

state election next Sunday. Chancellor Helmut Kohl, who is also leader of the CDU, bad earlier thanked Mr Strauss for his co-oper-ation in Government "although there have sometimes been diffi-

the general election campaign, he attacked the trade union movement for selling off last month Neue Heimat, its huga property group, for DM 1. The unions had been threat-ening to enter the election camusual a joint platform, promised yesterday that he would be pre-pared to begin work on a combined paign on the side of the SDP, but Mr Kohl gave notice yesterday that if they did the Government would programme after the Bavarian continue to raise the damaging and embarrassing Neue Heimat issue. Mr Strauss, who said that the issues in his state election campaign would mirror those in the federal poll, also warned the Government

culties, some understandable and some not." Mr Kohl went on to some not. Mr hom were on the warn that "powerful forces in the SPD threatened to destroy the worldwide belief in the ability of the Germans to keep the peace" by trying to nudge the country towards

against applying too much pressure on the South African Government to end apartheid. He said that the present political structure in South Africa was being stressed to its lim-

neutrality.

In e keynote speech, which for

its and that a military dictatorship might emerge if President Botha fell.

BY CHRISTIAN TYLER, TRADE EDITOR, IN LONDON

Discussions in Paris early next year will review the list of industri-But no formal proposal to this effect al equipment and instrumentation that cannot at present be sold to China and other Communist coun-

Some member-countries of Cocountries to which goods of potential strategic value may not be sold.

has been made The relaxation of controls on China is due to a new perception of the country as posing little strategic threat to the West. Businessmen on for export controls, known as Co- both sides of the Atlantic have also Com, relaxed the rules for sales of complained that an important new computers and related technology market is being unnecessarily lim-to China in a major review. Further ited.

### Nato and Japan review export curbs on China

THE NATO allies and Japan are liberalisation in this area is possiconsidering a further relaxation of ble their strategic export controls on China, according to the British Gov-

tries without special approval. Last year, the vetting committee

Com would like to see China removed entirely from the list of

Brussels to challenge microchip deal Continued from Page 1

Karl-Heinz Narjes, the Industry

They also expressed concern

Washington and Tokyo have been informed in writing about the im-

orld Weather

of the Many neuroses that higher-grade workers are prone to, one of the most insidious is the confidence-sapping "Cathcart Complex." It is named after a character in the war novel Catch-22, whose pride in being a colonel in his mid-30s was constantly undermined by his shame at being no more than a colonel at nearly 40.

It is fortunately rarely met with in its most virulent form. For at its worst, the neurosis is apt to make life trying not fust for everyone else around. I know it because I once had a chief whose incessant urge to fire the entire workforce was matched only by his fear that the whole lot were plotting to quit without notice the next Friday night.

The mayness creating prosition and feels the neurosis follows:

"Oh yes. We definitely want a chartered accountant," On those occasions I instantly feel deeply distressed on behalf of the entry election are not chartered accountants, but fully fledged members of one of the other esteemed branches of accountancy such management varieties.

Since they too have worked hard and well to qualify, the lay public's crass tendency to equate a professional accountant must represent a constant."

Complexes of galloping proportions.

MN

Traded option

STATE OF THE PROPERTY OF THE PARTY OF THE PA

2.54.22

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Friday night.

The maybem - creating potential of the Cathcart Complex is such that those of us who are free from it would do well to watch sensitively for signs of its milder versions in other people, and refrain from aggravating them. But I am sad to say we do not always do so. Take for example something which commonly occurs when this column is approached by recruiters who are not themselves accountants, and who want help in filling a job in financial management.

When I respond by asking if

In case any reader is in that position and feels the neurosis position and feels the neurosis creeping on, however, today brings a message of hope. I have just heard of one cost and management accountant who has neutralised the pressure by a simple pretext. He has given up using the title "accountant" altogether, and calls himself a "profits engineer."

Pay indicators

money rewards £ 23,502 19,752 17,498 17,031 15,600 14,211 12,349 10,360 8,532 23,150 19,752 17,354 16,626 15,300 13,616 11,298 9,824 8,055 Engineering director Senior function has Function head Department men Section manager Section leader

All I have room to provide are indicators of the rewards prevailing, as at July 1, among

of engineers who also, of table gives the proportions of course, do not generally get the the people at each level who public esteem which their abilities really deserve.

The figures are drawn from the study just published by Remuneration Economics, which is based on the pay and perks of 8,573 engineers employed by 119 organisations of various sizes throughout Britain. Full details of the survey can be obtained from Peter Stevens of Remuneration Economics at 51. Portland Road, Kingston-upon Thames, Surrey RT1 25H; telephone 01-549 8728.

By comparison with the position a year previously, Mr Stevens says, the money rewards of the different rankers had increased on average as follows: directors by 9.3 per cent, senior function heads by 14.7, function heads by 9.8, department managers by 9.3, section managers by 8.4, section leaders by 9.2, senior engineers by 10.1, engineers by 10.2, and junior staff by 13.1 per cent. By comparison with the position a year previously. Mr Stevens says, the money rewards of the different rankers had increased on average as follows: directors by 9.3 per cent, senior function heads by 14.7, function heads by 9.8, department manheat and control.

The first post is with a will be especially welcome. Salary indicator £25,000-plus. Perks negotiable. The second job is for a profunction heads by 14.7, function and selling off old subsidiaries, and internal profit-improvement and control.

Finance aces

selves accountants, and who want help in filling a job in financial management.

THE TABLE up there to the right continues the Jobs when I respond by asking if column's extracts from the autumn batch of salary surveys. The salary surveys average asiaries and total in this column when a recruiter as triumphs, and he able to ally qualified, the recruiters'

THE TABLE up there to the orders of seniority. Besides organisations being offered about heve been exposed to through beachunter John as distinct from responsible column's extracts from the autumn batch of salary surveys. average asiaries and total in this column when a recruiter as triumphs, and he able to generate fresh ideas for the

concern, be promises to abide by any applicant's request not to be identified to his clients at this stage.

Basic salary £ 30,719 25,338 21,111 19,739 17,729 15,598 12,863 11,217 9,021

Total money rewards £ 34,679 26,396 21,956 20,360 18,329 14,385 12,860 12,036 9,641

The newcomer, who will bring the number of consultants up to half a dozen including the outil's chief, will have been successful in commercial financial management after gaining one of the main accountancy qualifications.

financing of acquisitions and so on. People who have deve-loped a "nose" for the right price to pay for a company will be especially welcome.

25 44 21

The second job is for a pro-fessionally qualified financial manager with experience of treasury work and of working in an international company. in an international company. The recruit will be financial controller of a marketing-orientated manufacturing concern in high-tech industry, which is recovering from troubled times. Its turnover is currently under £50m, and its base is in the Thames Valley.

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Those interested should write, enclosing a comprehensive curriculum vitae, to Andrew Stewart at 39-41 Parker Street, London WC2B 5LH, or call him on 01-404 5751, quoting reference no. 3689.

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### American Investment Bank

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London

25-33

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ledged market leader in several major areas. Candidates will need a crimmum of 3 years' excepteace gained in a major merchant or investreent bank in the UK action execution in either mergers, acquisitions and divestitures, or in the International Capital Markets or ideally

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The Company is looking for individuals, who ideally will have a professional qualification or MBA after graduation, capable of bringing a major contribution to a role which is of strategic importance to them. Long term career prospects are particularly attractive within this organisation. The Company offers a highly competitive remuneration

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It is envisaged that the remuneration package will be made very attractive to the successful candidate, including a high basic salary, bonuses, a housing allowance and other expatriate benefits.

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initiative and decision making in expanding the company's dient base.

candidate possesses the experience, capability and maturity to give direction and leadership to a highly motivated sales team. You should

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ment to the Eurobond market and its corporate expansion programme. Reporting directly to the Head of Bond Sales and Trading, the position offers enormous scope for personal

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have at least two years Eurobond sales experience preferably with a premium house and a broad-based background in the Eurobond market. The compensation package is extremely attractive.

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and the post holder will be required to have: An accountancy qualification or an MBA followed by

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 Commitment and personality to liaise with companies, banks and financial institutions. Ability and motivation to carry a high workload. Personnel and Management Services Officer, Shire Hell, Mold, Chayd CH7 6NB. TeL0352-2121. To be returned by 24th October, 1986.





onathan Wren SYDNEY

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5th Floor, Arab Banking Corporation House

1-5 Moorgate, London EC2R 6AB

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Please write with full personal and career details, indicating convent salary, to Derek Yarrow, Group Fensions Manager, Associated Brainhidesen ple, 50/51 Russell Square,

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Please contact, in complete confidence, Leslie Thorsen Bensley, quoting Ref: LTB097.



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Those interested in an excellent career opportunity with this successful major financial institution should contact Kate Syms on 01-404 5751, or write to her, enclosing a comprehensive CV at 39-41 Parker Street, London WC2B 5LH, quoting ref. 3686.

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We're not talking about a run-of-the-mill account handler.

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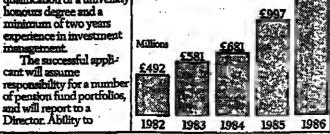
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### SECTION II - COMPANIES AND MARKETS

### FINANCIAL TIMES

Wednesday October 8 1986



ota House, 24 Monoment Street, London EC3R EAJ 01-283 8811

income

sharply

increases

Financial Times Reported

TRELLEBORG, the Swedish rub-

ber products group, reported a

strong increase in profits and has revised upwards its forecasts for

the whole year.

The group said it would continue to expand through acquisitions.

Earlier this year it bought a 40 per

cent share in the ailing mining and minerals company, Boliden, for SKr

Profits before provisions and taxes were SKr 193m (\$28m) against SKr 111m in the corresponding period last year. Profits excluding a tax-free dividend of

SKr 38m from Boliden rose 45 per

**Trelleborg** 

### **Profits at Svenska** Handelsbanken rise 91% in eight months

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLL

bank, boosted group operating profits by 91 per cent in the first eight months of the year to SKr 2.24bn share issue by transferring SKr

Swedish banks are reaping rec-ord profits this year thanks to fall-ing interest rates and the far-reaching deregulation of the domestic

the country's niggest value, as mall regional bank are taking the opportunity to raise

Aschor Hand See Lordor Swill Lordon Swill Lo crease in group operating profits in the first eight months. Ostgotabanken is raising about SKr 79m from shareholders.

Svenska Handelsbanken, the last of the big banks to report, said yesterday that its existing equity capi-tal was sufficient to increase the per cent to 29 per cent. bank's market shares and allow "a

SVENSKA Handelsbanken, Swed- Nordfinanz-Bank Zurich, to Kansal-581m from reserves to equity. It will also make a one-for-one share split. Svenska Handelsbanken in-

creased its return on equity to 28.4 per cent in the first eight months credit market.

Banking sector share prices have soared 139 per cent in the past 12 months and at least two banks—Skandinaviska Enskilda Banken, the country's biggest bank, and Ostropharken a creal project of the parent bank jumped by 104 per cent, an in-

The operating profit of the parent bank jumped by 104 per cent, an in-crease of SKr 975m to SKr 1.91bn. In the first eight months of the year Swedish money market rates were 4 percentage points lower than in the corresponding period last year, while the discount rate was 1.6 percentage points lower.

As a result, interest earnings jumped 47 per cent to SKr 2.43bn. The bank has also made considerable capital gains from the sale of bonds, reducing the share of bonds in the bank's total assets from 39

Helped by credit market deregustrong expansion of lending," dur-ing 1967.

It balance sheet has been cent in the first eight months and strengthened through the sale of its its mortgage institution increased remaining 10 per cent interest in its lending 2% times.

### Zondervan seeks buyer

BY OUR NEW YORK STAFF

lisher of Christian books and the second biggest printer of bibles in the US, has directed Smith Barney, Harris Upham, its financial adviser, to seek a buyer for the company.

The board's desire to sell the com-

pany is supported by a group of shareholders with about 43.1 per cent of the 4.1m common stock, Mr chide 80 family bookstores across Christopher Moran, who represents the US, last year lost \$500,000, or 11 the group, said. This is consistent cents a share, on sales of \$1154m. co-operate and facilitate a sale of all: cents a share. ....

BY SARA WEBB IN STOCKHOLM

ing pulp and paper producer, an-nounced a 13.5 per cent drop in profits, after financial items, to SKr

573m (\$83.4m) against SKr 661m in the first eight months of last year.

The group blamed its pulp, power production and chemicals divisions

for the fall, but expected profits for the whole year to be on a par with

ZONDERVAN, the largest pub- the shares of the company on the

Last April Mr Moran offered to acquire the company for \$23.50 a share. The company rejected the bid, saying it was not a true offer to buy the company."

the group, said. This is consistent cents a share, on sales of \$115.4m with our objective of maximising. This year it is estimated to be back value for all shareholders. We will in the black, with earnings at 35!

prices hit Stora's chemicals divi-

sion, where sales dropped 23 per cent to SKr 183m.

Stora is investing SKr 253m in the modernisation of two of its fine

paper machines as part of a four-year SKr 300m investment plan. The plan is to increase capacity for lightly coated fine paper from 90,000 tonnes to 130,000 tonnes a

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Dated 8th October 1986

Banque de Commerce SA, 51-52 Avenue des Arts, 1040 Brussels

Stora profits hit by fall in pulp prices

STORA of Sweden, Europe's leading pulp and paper producer, announced a 13.5 per cent drop in

The marked fall in chemicals five years.

er would mean annual profits of at had combined profits (after financials SKr 350m in the next four to cial items) of SKr 194m.

Sales increased by 9.5 per cent to

### **Viacom** rejects revised offer

VIACOM International, the US broadcasting and cable television group, has decided not to accept

a leveraged buyout proposal by an investor group which in-cluded some of the company's se-nior management. The decision was made by a special committee

This was despite a proposal revised upwards, to the equivalent of \$44 a share to be made up of \$35 in cash and part of exchan-gable preferred stock in the acquiring company with an ex-pected market value of \$9.

The original buyout plan, an-nounced on September 16, com-prised 537 in cash and a fraction of a share of exchangable pre-ferred stock in the acquiring group of \$3.50. Based on 53.4m ares outstanding, the deal was valued at \$2.7hm.

In early trading on the New York stock exchange Vincom shares rose \$1% to \$43%.

The New York group owns several television stations and distributes television prodistributes television pro-grammes, Mr Terence Elkes, chief executive, led the group proposing the buyout, which was backed by three leading New York investment banks, Donaldson, Lufkin & Jenrette Securities, First Boston and Drexel

Last year the group carned \$37m on sales of \$444m. At the halfway stage this year pre-inter-est operating earnings were 62 per cent ahead at \$58.4m. How-ever, the combination of sharply higher interest charges and \$28m after-tax charge ass with the purchase of a stake held by Mr Carl Icahn, the New York or, led to a six-month net

The group paid \$230m for Mr Icahu's 16.35 per cent stake last May after rebuiling his hostile

Viacom said it would now evalunte the alternatives available."

Holmons Bruk, the Swedish for-

est products group and one of the biggest newsprint producers in Eu-

rope, reported a 4 per cent increase in profits after financial items to SKr 202m for the first eight months

### John Wyles in Rome looks at official criticism of Italy's largest bank

### BNL accused of weak management

of Italy's largest bank, Banca Nazionale del Lavoro (BNL), have been highlighted in a confidential report by Banca d'Italia, the Italian central

The report and BNL's responses were carried yesterday in the news-paper La Repubblica to the embarrassment of both parties. The cen-tral bank later let it be known that the investigation was part of its reg-ular monitoring of bank perfornance and its criticisms were for the guidance of management. BNL promised a full reaction today but thought that the leaking of the report would not have any great rep

The Banca d'Italia scrutinis BNL between April 1985 and April 1986 and concluded that BNL lacked strategic objectives, profes-sional management and internal lines and acknowledges that the systems to control the allocation of board of directors should do more credit and for monitoring changes in the banks assets and liabilities. According to La Repubblica, few

of the central bank's judgements have been challenged by BNL's ma-naging director, Mr Francesco Big-nardi, in a 44-page response.

Kroger plans

from St. Louis

By David Blackwell in New York

KROGER, the second largest US re-

tail food chain, plans to withdraw from the St Louis, Missouri, area as part of its previously announced

It has preliminary agreements to

ell 40 of its 54 food stores in the

city as well as its distribution cen

res. Talks for the sale of the re-

Those stores not sold would not be

The decision affects about 5,000

employees. The stores had been unable to generate an acceptable

rate of return," the company said, in spite of capital investments of \$25m in the last five years.

Kroger is in the process of a ma-jor restoucturing which includes the closure of 100 supermarkets

Sales increased by 9.5 per cent to SKr 4.023bm, compared with the two companies' combined sales of SKr 3.874bm in the first eight

Holmens Bruk expects profits for

orporate restructuring.

closed, the company said.

to withdraw

five-way split in its 15,000 ordinary shares. About L76bn will then be raised through a one-

**BCI IN MULTI-STAGE RIGHTS ISSUE** 

by new share offerings. BCI - the second-largest state-controlled bank within the IRI group which holds almost 70 per cent of its shares - plans to ask shareholders at an extraordinary meeting for an increase in its oremium on savines shares. dinary share capital from L636bu (\$458m) to L1,050bn. BCPs decision to seek a capital

BCI is proposing an initial

BANCA Commerciale Italians

has joined the growing list of Italian banks seeking to strengthen their balance sheets

net profits to L&L7bn. Total deposits at the end of last year were L&L,044ho. for one issue at par.

The remaining L350bn will be raised through a two-for-nine is-Early last month, another state-controlled bank, Banes Di Roma, announced a 1.289bn capi-

sue on ordinary shares held before the par issue at a premium on L1,500 a share and through a tal increase in a parallel move to take advantage of a buoyant in-vestment climate. three-for-nine issue at the same BCI says that it wants to strengthen its capital base to sur-

increase follows a set of glitter-ing first-half results which re-

Hs says that management strateto raise the Nuovo Banco Ambrosia-no, in which BNL has a major stake, out of the ashes of the Calvi affair. The committee will now be to define objectives. Mr Bignardi admits that the

meeting weekly, says Mr Bignardi. To Banca d'Italia's complaint that bank's directors committee has branch managers have too much failed to meet for a long time and freedom in granting credit, Mr Bignardi says that in practice the breaching of credit ceilings is not excessive. However, he rejects alto-

gether the observation that up-to-date information is lacking on the profit and loss positions of the sub-sidiary, Lavoro Bank di Zurigo.

turned a 4L9 per cent increase in

The two sides are also at odds over the size of BNL's doubtful loans. Banca d'Italia estimated them at L1,214bn (\$882m) or around 10 per cent of loan assets and pre-dicted losses of L819.7bn. Mr Big-nardi challenges this judgment.

Sales rose 35 per cent to SKr 1.7bn against SKr 1.2bn in the corresponding period last year. Trelleborg now expects

achieve a profit (after financial items) of SKr 300m for the whole year, having originally set a target of SKr 200m. The figure for 1985 was SKr 167.2m. In the last eight months, the group has acquired companies with

a combined annual turnover of at least SKr 225m and has recently agreed to acquire Mataki, a Swed-ish chemicals and construction company with turnover of about SKr 500m.

#### NorTrust ahead

NORTHERN TRUST, the holding company which owns the 43rd largest US banking group including the fourth-biggest bank in the Chicago area, has announced a 38 per cent increase in profits a share to 87 cents from 63 cents for the third quarter. Net profits reached \$13.2m against \$10.2m a year earlier.

For nine months the group's profits reached \$37.5m (\$2.35 a share) against \$22.8m (\$1.36 a share). Assets grew to \$7.33hm from \$6.77hn a year previously.

### blames this on the loss of some di-rectors after the P2 conspiracy scandal and the overwhelming need AEG sales rise limited by \$

BY ANDREW FISHER IN PADERBORN

ler-Benz, booked a 13 per cent in-crease in new orders to DM 8bn 7 per cent higher, while sales by for-(\$4bm) in the first eight months of 1986 compared with the same period a year earlier. However, the company said growth was held back by the fall in the dollar.

Mr Heinz Durr, chief executive of the West German electrical and electronics company, warned that the dampening effect on exports of the sharp rise in the D-Mark would be increasingly felt by AEG and German industry as a whole. If the D-Mark had not streng-

thened turnover would have risen 5 per cent between January and August. Instead, it rose only 1 per cent the next two years.

AEG, 56 per cent owned by Daim- to DM 6.6bn. Sales by domestic

The fall in the copper price hit sales in the cable business which in turn also affected growth. Mr Durr expected group turnover

to be 5 per cent higher for the year as a whole, with some large contracts due to be invoiced in the last

Geman companies have sought to protect themselves this year from the results of the dollar's fall. However Mr Durr warned life would become tougher in foreign markets in

The overall 13 per cent rise in new orders included a 20 per cent rise in those of the domestic group (including exports), with a 25 per cent rise for business within Ger-Mr Durr said this was a year of

stabilisation as far as profits were concerned. He repeated that AEG would not think about resuming dividends until 1988. The group, which made operating profits of about DM 100m in 1986, was close to bankruptcy in the early 1980s. Daimler took control eight months

Mr Durr said the link with Daimler had put AEG on a more stable

(This announcement appears as a matter of record only)

### Banque Nationale de Paris

**Undated Subordinated Floating Rate Notes** 

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WESTPAC BANKING CORPORATION.

September, 1986

#### FN to cut costs in wake of strike

rogramme of streamlining and ost-cutting in the wake of a damag ing month-long strike in March.
The company, which makes the
PN rifle, expects a sharp fall in

The austerity plan could include hiving off some operations, and

closing one section with the loss of

in the dollar and the oil price. looking for outside partners in others, the company said.

sible outside partners.

months of 1985.

The announcement comes only a

Such a cost-cutting plan would normally result in the loss of about

and to continue the process of de-centralisation - including hiving off some activities and looking for pos-

small arms in more than 80 countries, has been attempting to extri-cate itself from a costly diversification programme embarked on in the mid-1970s. It has already

the whole year to improve on last year's total of SKr 318hm. Sales in 1985 for Holmens Bruk and Fiskeby the whole year to be on a par with year SKr 390m investment plan. I last year's figures of SKr 1.1bn. Sales slipped 2.5 per cent to SKr 8.5bn in 182bn compared with SKr 8.5bn in 182bn contest of 188c.

The results take into account Holtmens Bruk and Fiskeby, another Swedish forest products company, at the beginning of this year. In the first eight mouths of because of the decline in pulp byrus, its domestic rival. The merg-

By Quentin Peel in Brussels

turnover for the year to BFr 22bu, BFr 2.8bn below forecast, because of the strike combined with the fall

600 jobs next year, but FN said it hoped to avoid any outright dismis-The company also plans to

The company, which sells its

FABRIQUE Nationale Herstal (FN), the Belgian small-arms and aeronautics manufacturer, yester-day announced a BFr 1bn (\$24m)

week after the company said it was dissolving its loss-making forging mill and smelting division, FN For-metal and merging its operations with the parent company as well as

amline existing departments,

10,000 to 8,000 during the past five

US \$ 500,000,000

Issue Price: 100 %

BANK OF CHINA

CAISSE DES DEPOTS ET CONSIGNATIONS CITICORP INVESTMENT BANK LIMITED DAIWA EUROPE LIMITED GOLDMAN SACHS INTERNATIONAL CORP. KLEINWORT BENSON LIMITED MORGAN GRENFELL & CO. LIMITED

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31/s per cent. Guaranteed Notes due 1991

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All of these securities having been sold, this advertisement appears as a matter of record only.

U.S. \$250,000,000



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September, 1986

Yamaichi International (America), Inc.

### INTL. COMPANIES and FINANCE

#### **CSR sells** chemicals joint venture stake to ICI

By Our Financial Staff

CSR THE large Anstralian resources, building materials and food group, has taken a further step in its programme of asset disposals. It has amounced the sale to ICI Australia of its narrow majority share of CSR Chemicals, a joint venture of the two companies.

ICI Australia, 62 per cent owned by ICI of the UK already owns 49.7 per cent of CSR Chemicals, and is now buy-ing the remainder. The sale requires approval from the Foreign Investment Review Board, since it will involve the

to a foreign company.

Na price has been disclosed, but CSR said its shareholders' funds in CSR Chemicals were worth some A\$12m (US\$7.7m), while the operation had contributed just under A\$1m to group profits in the last financial year to March, up from A\$180,000 in the previous year.

CSR has been the object of CSR has been the object of sporadic takeover rumours in Australia in recent months, after some two years of rational isation and balance sheet reconstruction which have made it a trimmer and more profitable

As part of this process it has been shedding assets deemed no longer to be core businesses, including its half share in a big, though undeveloped iron ore deposit in the Pilbara region of Western Australia and its share in the huge Mount Newman mine in the same region. It has also raised large quantities of new equity finance from the stock market in the past few months.

#### Pakistan unit lifts earnings and dividend

By Mohammed Aftab in Isla ICI Pakistan Manufacturers, ar affiliate of the big British chemi aminate of the big bottom chair-cals group, has raised its divi-dend to 32.5 per cent, for the year ended September 30, 1985, from 30 per cent in 1984. Companies including Paintex

the paint manufacturer, and Imperial Chemical Industries (Pakistan) were merged into Net sales during the year rose to 966.49m Pakistan Rupees (\$US56.8m) up 10.2 per cent from the PRs 876.86m of 1984

The company's main product polyester staple fibre, recorded an increase of 10 per cent, sods ash 3 per cent, and speciality ash 3 per cent, and speciality chemicals nearly 10 per cent. The company complained of dumping of polyester staple fibre by Far Eastern countries and said sales were also affected by the Pakistan Government's decision in May, 1985 to withdraw the regulatory duty on imports of polester fibre which was previously charged at the rate of Prs 3 per kilogram.

Operating profit at Pra operating profit at 178
225.99m was lower by
Prs 13.66m compared to 1984
but uet profit rose to Prs
138.84m from Prs 27.34m
mainly because of a reduction
in corporation tax from 50 per

in corporation tax from 50 per cent to 40 per cent.

The annual report shows authorised capital of Prs 500m and share capital of Prs 260.42m, Imperial Chemical Industries of the UK has a 61.6 per cent sharehelding.

The company operated its polyester staple fibre plant at 127 per cent of its rated capacity in 1985. The plant has active in 1985. 127 per cent of its rated capacity in 1985. The plant has an installed capacity of 12,000 tonnes a year, but has sought Pakistan Government permis-

### Record quarterly profit at **Consolidated Gold Fields**

BY KENNETH MARSTON, MINING EDITOR

RECORD gold prices averaging increases
R29,960 per kilogramme have workers in
lifted pre-tax profits for the
September quarter of the seven
South African gold mines in the
Consolidated Gold Fields group
to a best-ever total of R624m
(228) or £196m) from R438m
Doornfonts (\$281m or £196m) from R438m in the previous three months. Tha previous peak was R559m

in the final quarter of 1985.
Aggregate gold production of
the group was modestly higher
at 30,642 kg against 29,951 kg in the June quarter. Average

granted to black Capital spending which ranks as a tax offset, showed its usual seasonal decline. This in increased liability for tein and Libanon. which report lower earnings for

Otherwise, all have earned more. The big Driefontein Consolidated has received a fillip to profits from a rise in the grade of ore mined at its East section while the younger

pleted on that date. Share-

holders' funds would have

slated to rise to 42 cents a share

from a pro-forma 34.5 cents and a dividend of 18 cents is ex-

GOLD MENE NET PROFITS ## ROOD | MIL.

reduce costs slightly. higher gold price has had its gearing effect on increased profits of the marginal gearing profits

**Public Bank** 

ahead at

six months

PUBLIC BANK, the Malaysian

bank specialising in lending to small domestic companies, has

small contestic companies, has posted a rise of 4.1 per cent in group after-tax profit for the first six months of 1986 to 12.6m ringgit (US\$4.8m) from 12.1m ringgit a year earlier, AP-DJ reports from Singapore.

Group pre-tax profit climbed 15.2 per cent to 24.3m ringgit from the year-earlier half, but a

rise in taxes cut into earnings.
The bank called the performance of its subsidiaries, chief among which is Public Finance,

"satisfactory," given the difficult economic conditions, and pre-

dicted similar results for the

second quarter.

#### **Heavy rush for Investee** Metboard share issue

BY JIM JONES IN JOHANNESBURG

INVESTORS in South Africa March 31, 1986, had the present have over-subscribed the new issue of new shares been com-issue of shares in Investec Bank pletted on that date. Share-Methoard by more than 16 times. the merchant banking, financial the merchant banking, financial services and property company said in Johannesburg yesterday.

The company, which was public funds under its administration.

The directors forecast that financial services firm, at the start of this year, will acquire a listing for its 20m shares en tha Johannesburg Stock Exchange following the sala of pro-forma R4.35m in the year to 5.9m new shares to the public funds under its administration.

The directors forecast that net income after tax and transfers to inner reserves will increase to R7m in the financial year to March 31, 1987, from a change following the sala of pro-forma R4.35m in the year to 5.9m new shares to the public funds under its administration.

at R4 each and a preferential issue of 475,000 shares.

Pro-ferma accounts indicate Invester would have had total perted to be paid against last assets of R245m (\$110m) on year's pro-forma 15.2 cents. FCL buys

#### NZ Steel's **Pacific holding** NEW ZEALAND Steel has

sold its 42 per cent holding in Pacific Steel, to Fletcher Challenge (FCL), the diversified industrial group, for an undisclosed sum, Reuter writes from Wellington.

The deal will bring FCL'a helding in Pacific Steel to 86 per cent. Pacific is the country's only steel maker, using local scrap and also steel billets made by N.Z. Steel.

David Delay, FCL'a chief steel sector executive, and Mr Lindsay Fergussen, N.Z. Steel's, managing direc-tor, said the sale followed an assessment by Pacific and N.Z Steel that their activities will diverge increasingly in the future.

approval was given for the sale following an unsuccessful application last year by both FCL and NZ Steel to acquire a majority stake in Pacific.

MIM BRITANNIA UNIT TRUST MANAGERI LIMITED ns of Ar

### Total deposits rose 544m ringgit, or 11.3 per cent, te 5.82bn ringgit in the period.

Floating Rate Notes due 1996 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of clause 6(b) of the terms and conditions of the Notes, \$1,500,000 in aggregate principal amount of the above captioned Noteswill be accessed on Notesmber 12, 1985 at the principal amount thereof to said redemption date. The aggregate principal amount of the Notes outstanding on and when the redemption date will be \$38,200,000.

QUEENSLAND COAL FINANCE LIMITED

aid date the redemption price will become due and payable on each of said Notes called sedemption. Payment of the Notes to be redeemed will be used upon presentation and ender thereof, together with all coupons appurlement thereto maturing subsequent to redemption date, at the office of BankAmerica Trust Company of New York, 40 Broad postero of the halder, at the office of BankAmerica Trust Company of New York, 40 Broad postero of the halder, at Bank of America NT and SA, 35, George's Building, 2 bet House et, Hong Kong, or Bank of America NT and SA, 25 Cannon Street, London 5029 4814.

QUEENSLAND COAL FINANCE LIMITED

Dated: October 8, 1986

#### **CARREFOUR**

CONSOLIDATED INCOME FOR THE 6-MONTH PERIOD ENDED JUNE 30, 1986 (In millions of French francs)

6 months June 30,

Sales
Group share of net Income

+14.2 +53.5 Prospects for 1786:
The increase in income at June 30, 1986 will not be repeated in the second half of the year, for which we anticipate:

 A sustained level of activity. - a strong competitive environment

- e decrease in the income from our investment companies. Therefore, for the whole year 1986, we expect income to increase by approximetely 20%.

October, 1986

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### International Placement

210,000 Common Shares

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Nomura international Limited

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### INTL. COMPANIES and FINANCE

### profit. **Swiss** group in cash call COLD MINE VEIR

By John Wicks in Zurich

MOTOR COLUMBUS, the Swiss group with interests in energy and communications, is to raise SFr 52m (\$32.5m) by a rights issue and plans an increased dividend.

Incomes from securities and participations rose from SFr 13.7m to SFr 15m for the year ending in June 1986. Net profits improved from SFr 10.3m to SFr 11.2m and Motor-Columbus is stepping up its dividend from 5 per cent to 6 per

The company plans an increase in capital from SFr 130m to SFr 180m. This will be carried out in two Public Bak stages with 52,000 new bearer shares offered to existing sharehol-ders on a one-for-five basis at SFr

1,000. A further 48,000 shares will be reserved primarily to back a future 

ahead at

six month

L FINANCELIE

sellsch<sup>aft</sup>

after lifting earnings BY OUR FINANCIAL STAFF

OCE, the Dutch copier group, has reported higher third-quarter profits and is maintaining its interim paid a total dividend of F1 19 a dividend at F1 450 a share.

Net profits for the three months About 90 per cent of revenue ending in August 1988 improved from Fi 17.9m to Fi 19.4m (\$8.8m) to take earnings for the first nine months of the year to Fi 57.9m from comes from outside the Netherlands and at the time of the halfyear results, the company ex-plained that sales had been hit by a combination of currency fluctua-Sales for the third quarter de-clined again, dipping to Fl 445.6m from Fl 472.6m. Turnover was 3 per cent lower at Fl 945.6m at the half

Océ is to issue shares to finance the acquisition of the outstanding 49.9 per cent of Océ Investus from MIP, the Dutch official fund provid-ing venture capital to industry. Océ Investus is a FI 100m venture established in 1983 to promote sales of of-fice equipment in the US. The planned share issue is about 4 per cent of the outstanding equity.

TEOLLISUUDEN YOMA OY

(TYO Power Company) US\$100,000,000

Notice is hereby given that the Rate of Interest for the first Interest Sub-period of the Interest Period ending on 9th January, 1987 has been fixed at 6% per annum. The amount payable for the first Interest Sub-period will be US\$53.33 and will be payable together with the amounts for the second and third Interest Sub-periods of the said Interest Period on 9th January, 1987 against surrender of Coupon No. 11.

Manufacturers Hanover Limited Agent Bank

PAN-HOLDING

SOCIETE ANONYME LUXEMBOURG

As of September 30, 1986, the unconsolidated net asset value was USS241,410,049,53, i.e. USS344,87 per share of US\$50

The consolidated net asset value

per share amounted as September 30, 1986, US\$359.59.

ting Rate Notes due 2004

Nestlé to Océ maintains payout invest in Venezuela

By Joseph Menn In Caracas

NESTLE and the Venezuelan Government have reached agreement on the problem of Nestle's invest ment in the country. As a result, the Swiss multinational said it would invest the equivalent of \$14.1m in its processed food operations in

The problem, which goes back to 1979, centered on the value of Nes-tie's holdings in Indulac, a large Venezuelan producer of powdered venezuelan producer of powdered milk. Seven years ago the previous government ordered Nestle to sell its 40 per cent share of Indulac. Both the Swiss company and the government agreed on a price in Venezuelan currency.

However, by the time the previous government paid Nestié for its shares in 1983, a big devaluation had sharply reduced the foreign currency value of this payment. Nestle argued that the compensa-tion should reflect the pre-devalua-tion value of its shares but the gov-

The current administration, headed by President Jaime Lusin-chi and in power since 1984, re-viewed the Nestlé case and agreed to credit the company with the predevaluation value of its shares.

Mr Peter Brabeck, Nestie's ma naging director in Venezuela, said that the Government's decision was very positive and showed that it has the political will to improve the

Olivetti in \$15m deal

By Alen Friedman in Miles

group is to pay about \$15m, to acquire 51 per cent of the European operations of Decisions Industries, a US computer sales and service company. The operations include subsidiaries in France, Britain, West Germany and Belgium.

NOTICE OF REDEMPTION To the Holders of

Pl 51.0m a year earlier.

Oce said easier exchange rates, mainly the lower dollar, depressed third quarter sales by 13 per cent

while the disposal of a few minor

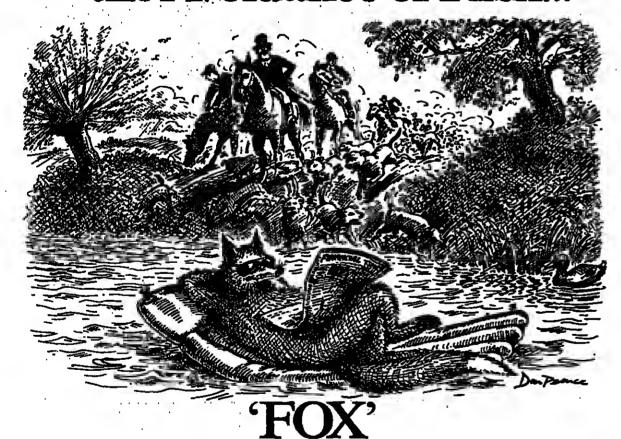
interests further lowered the figure 1.5 per cent. Net financial expenses

fell 5.5 per cent to Pl 9.7m.

#### **International Standard** Electric Corporation

6%% Convertible Sinking Fund Debentures due 1989

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exchange risk, which Hambros believe will be particularly well adapted to the needs of the corporate user. Any company involved in overseas trade will find 'FOX' of interest to them.

A 'FOX' contract has two components; a conventional forward foreign exchange contract, together with the right to take out an offsetting contract. This provides tailor made downside protection while preserving the ability to participate in upside

movements. The currency cover achieved is thus similar to that provided by currency options.

TOX'IS A CURRENCY OPTION WITHOUT THE NEED TO PAY A CASH **PREMIUM.** 

For further details of the TOX' service, advice on treasury matters and for current market quotes, please contact: Graham Steward (Assistant Director), Karen Dawson, Eddie Fogg, Nick Hill or Andrew Reid, Direct Line 01-628 7814/8 or via 01-588 2851.

Talk to Hambros Treasury Services



### Trinidad Nitrogen Co., Limited

The Republic of Trinidad and Tobago and W. R. Grace & Co.

\$40,000,000 project financing

Advised on and arranged by

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Provided by

**OVERSEAS PRIVATE INVESTMENT CORPORATION** 

under a finance agreement

This anneuncement appears as a matter of record only

### Trinidad Nitrogen Co., Limited

Owned by

The Republic of Trinidad and Tobago and W. R. Grace & Co.

\$190,000,000 project financing

Advised on and arranged by

MORGAN GUARANTY TRUST COMPANY

International Finance Corporation

\$175,000,000 project loan

INTERNATIONAL FINANCE CORPORATION

and through IFC participations by

FIXED RATE FUNDING

SANWA BANK

FLOATING RATE FUNDING:

ALGEMENE BANK NEDERLAND N.V.

ARAB BANKING CORPORATION

THE BANK OF TOKYO TRUST COMPANY

BANQUE NATIONALE DE PARIS

CANADIAN IMPERIAL BANK GROUP GENERALE BANK

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

NATIONAL WESTMINSTER BANK GROUP

DRESDNER BANK AG

Union Bank of Switzerland

CREDIT LYONNAIS

\$15,000,000 subordinated loan

Provided by

INTERNATIONAL FINANCE CORPORATION



#### Central American Bank for **Economic Integration** (CABEI)

U.S. \$20,000,000

Floating Rate Serial Notes due 1994 For the six months 9th October, 1986 to 9th April, 1987

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 7% per cent. per amount, and that the interest payable on the relevant interest payable on the relevant payable on the relevant

The Industrial Bank of Japan, Limited

#### **BankAmerica** Corporation

U.S. \$400,000,000 Floating Rate Subordinated Capital Notes Dur 1997 Holders of Notes of the above issue are hereby notified that for the next Interest Sub-period from 8th October, 1986 to

2. Rate of interest

10th November, 1986 the following will apply: 1. Interest Payment Date: 8th December, 1986

for Sub-period:

6% per annum 3. Interest Amount payable US \$275.00

for Sub-period: 4. Accumulated Interest Amount payable:

per US\$ 50,000 nominal US \$519.79 per US\$ 50,000 nominal

5, Next Interest Sub-period will be from

10th November, 1986 to 8th December, 1986.

Bank of America International Limited

David Lascelles assesses the logic of First Interstate's \$2.8bn offer for BankAmerica

### Pinola bids to be number one in the West

America announced late on Monday, First Interstate Ban-corp (FIB) of Los Angeles could bring to an end the long drawn-out agonies of the second largest bank in the US. But the bid is tentative at this stage, and FIB may not be willing to press ahead without Bank-America board's support, which did not appear to be readily forthcoming from the bank's San Francisco headquarters

Mr Sam Armacost, Bank-America's president, rejected an earlier approach by FIB in an earner approach by F15 In March. But that was before a fresh wave of loan losses swept over his bank, and a number of key personnel resigned, badly damaging its credibility. It was also thought in Bank America yesterday that the offer might flush out other.

Sam Armacost (left), president of BankAmerica, the US West Coast bank with assets of \$117bn. where first-half net losses reached \$577m, and Joe Pinola, chairman of First Interstate.



number of key personnel resigned, badly damaging its credibility. It was also thought in Bank America yesterday that in Bank America yesterday that spun off in 1957. Mr Joe Pinola, state lines, FIB "franchises" its in that state, and needs to entre the offer might filush out nither, less friendly hidders, compares to whom a alliance with FIB's chairman, spent much of lise arly banking career with Bank of the fill's chairman, spent much of his early banking career with Bank after the offer might filush out nither, less in the US state banks and supplies them with banking task in the toughest banking and washing-torned and washing-torned at the only two states, California's most agency of its assets, particularly proposed and washing-torned at the only two states to the north where it would create to make out in the already fast-changing US banking scene. It would be the largest bank merger in history, with FIB sance the days when America is hone, the West Coast state to the north where is was allowed to buy the alling former substance its size. The result than twice its size. The result has been to retail banking market.

There would thus be a further

America's stated net value of fornia, Mr Pinola is not strong fornia, Mr Pinola is not strong and that state, and needs to entre large his share—not an easy task in the toughest banking against undersultation of many task in the toughest banking against undersultation of many of its assets, particularly proposed to the challenge presented by the \$1.15n and he is right, he will have being presented by the \$1.15n and he is right, he will have being presented by the \$1.15n and he is right, he will have being the must respond to the challenge presented by the \$1.15n and he is right, he will have being the must respond to the challenge presented by the \$1.15n and he is right, he will have being the must respond to the challenge presented by the \$1.15n and he is right to went we

than twice its size. The result would be a group with combined assets of about \$1650n, though this would still leave it behind Citicorp, the country's largest banking group with \$1830n of assets.

Ironically, the deal would re-combine two banks which conce formed part of the enormous Transamerica Corporation of A. P. Giannini, the legendary founder of Bank of America, Bank of America, Bank of America was spun off from the group in the legendary founder of Bank of America, Bank of America was spun off from the group in the legendary founder of Bank of America was spun off from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was spun of from the group in the legendary founder of Bank of America was with the alidis about a third of the stail bank in stitu

at this stage how FIB-which has only a small overseas presence and a modest merchant banking operation in Londonwould handle this new activity. If it absorbed it, the new busiuess would transform FIB into a major international bank something which rather goes against its character.

Domestically, though, there is surprisingly little overlap, and the combined bank may only have to sell a few branches in The terms of FIB's proposals value BankAmerica at about \$2.8bn, which is substantially higher than the bank's market capitalisation of \$1.9hn yester-day. On the other hand, the offer is well below Bank-America's stated net value of

me assets to raise its capital ratios to acceptable levels. But this could be done by selling branches and superfluous busi-

On the other hand, both FIB and BankAmerica could emerge with greatly enhanced credi-bility from the deal, with FIB gaining in stature, and Bank-America in strength. As one observer joked yester-

day: "Giannini's vision could finally be realised, though not as be had envisaged."

### C\$200m issue launched for Nippon Telegraph

NEW ISSUE volume stepped on the stepped of the series of the deals were either in the currency or equity related sectors of the market, their net \$26.5 price, after 50 since dollar Eurobond trading continued sluggish.

9 per cent Eurobond for Aegon, the equity warrants market, which are exercisable from seven-year issue for international Pirelli with warrants into bearer participation certificated sectors of the market, their net \$26.5 price, after 50 pricelli, the Swiss arm of the per cent underwriters' fees. continued sluggish.
Goldman Sachs International

Goldman Sachs International led a C\$200m issue for triple A rated Nippon Telegraph and Telephone, one of the largest deals the Canadian dollar sector has yet seen. The five-year boud was priced with a 9½ per cent coupou and 100½ issue price, to give an initial yield of 75 basis paints over Canadian Government bonds.

The leadmanager said the

Government bonds.

The lead-manager said the bond was meeting strong demand from European institutional investors yesterday. It was trading at discounts to issue price just within its 1½ per cent total fees.

Just one sizeable US dollar fixed-rate deal emerger yesterday. This was a \$125m seven-year deal for Aegen, the Dutch insurance company led by EBC Amro Bank. The 8 per cent bond was priced at 101½ to give a yield margin over US Treasury bonds of \$2 basis points. points.

Dealers said the issue was

The warrants are linked to an Aegon 101 per cent bond due in 1992, which can be called from 1989 et 101 if the warrants

from 1989 et 101 if the warrants are exercised.

In the floating-rate note (FRN) sector, Commerzank issued a \$100m floater for Banco Hispano Americano, the Spanish commercial bank. The 20-year issue will rank as primary capital.

INTERNATIONAL BONDS

The non-callable issue pays interest at } point over sixmonth London interbank offered rate (Libor). It is priced at par and can be put at par after 12 years. Fees total 21 basis points and Commerzbank quoted a bid price of \$9.80, just within this discount.

Sanyo International said it was launching a \$50m five-year FRN for Kawasaki Steel. The Dealers said the issue was launching a soun new-year Union trading alugishly. It was FRN for Kawasaki Steel. The announce quoted at a bid price of 991, bond will pay interest at 600 Australia outside the level of its 17 per basis points over six-month an indic Libor for the first year, and cent. De Meanwhile Morgan Stanley ithen 135 basis points over tive pricisued 75,000 warrants at \$27 Libor.

Cach to buy \$75m worth of a A crop of deals emerged in morrow.

manufacturers, and white Securities launched a \$50m equity warrants bond for Nippon Paint. Both five-year issues, with indicated 31 per cent coupons, will be priced on October 13. Yamaichi International arranged a \$30m five-yeer ?? per cent bond for Marubeni International Finance, the financing arm of the trading company. The issue price was 1018

Pirelli, the Swiss arm of the Italian industrial group. The

deal met strong demand in the

The 31 per cent bond is priced at par. Warrants are exercisable for seven years at

Daiwa Europe launched a \$40m equity warrants boud for Hokkai Can, the Japanese can manufacturers, and Nikko Secu-

SFr 420 each.

Prices in the Swiss franc bond market rose by up to a point in

good turnover. Union Bank of Switzerland announced a SFr 300m bond for Australia. The 12-year issue has an indicated coupon of 5 per cent. Dealers said that indicative pricing looked attractive. Final terms will be fixed to-

### Japan's insurers return to \$ bond markets

JAPANESE NON-LIFE insurance companies show signs of
returning as large-scale investors to the dollar hond markets,
changes reported aggregate per cent of this increase, or
In all, the non-life insurers rance companies show signs of yen. The 13 non-life companies returning as large-scale investors to the dollar hond markets, changes reported aggregate They had been holding back foreign currency losses on bond from buying foreign bonds out holdings of Y98.8bn (\$640m) of concern for the weakness of in the financial year to last the dollar new they appear to Warth the dollar, now they appear to have taken the view that the US currency is unlikely to fall much below its current level of life policies which offer in practical view of the content of the weakness of the the product year to last the product of life policies which offer in practical view of the product of life policies which offer in practical view of the weakness of the product year to last the product of last the produc just over Y150.

Last year the Japanese in deposit accounts, the non-life surance industry's capital gains on its foreign bond portfolios were at least offset by heavy foreign exchange losses result. Insurance, for example, has

tice many of the advantages of

y50bn, will be earmarked for investment in foreign currency are expected to make as much as Y100bn available to invest in next March. In the first balf, however, it invested only about Y10bn in this area, leaving it with Y40hn to spend in the next

five months. Sumitomo Marine and Fire Insurance plans net purchases of Y20bu to Y30bu in the a record second half year, raising the against the proportion of foreign bonds in in August.

foreign bonds during the second half year to next March.

According to preliminary figures from the securities industry, net purchases by all Japanese investors of foreign bonds and debentures reached a record \$100n last mouth, against the record \$9.8bn set

#### Swiss banks' resources rise by over 13%

By John Wicks in Zurich

THE SWISS banking system has espital resources well in excess of siaintory requirements, according to the 1985 annual just published by the Swiss national Bank.

Even excluding private banks and finance companies. combined capital and reserves reached SFr 57.8bm at the end of last year. This represents 7.8 per ceut of the corres-ponding balance-sheet total and is 13.5 per cent higher than at the end of 1984. It also means that Swiss banks have much larger resources than these laid down by the country's stringent reby the country's stringent re-gulations. The sum available was equal to 122 per cent of the legally-required total, as compared with 118 per cent in 1984.

The national bank explains

that this partially reflected the fact that balance sheets were affected by exchange-rate developments, unlike the bank's Swiss-franc capital and

reserves.

The number of banks and finance companies subject to banking law rose to a record 593 last year, with the combined labour force up 5 per cent to 103.510. Total net prefits jumped by 18.1 per cent to 5Fr 40.508 per employee, as compared with SFr 36,000 in 1984, despite the 10 per cent growth in personnel costs.

The halance-sheet total of the 593 banks and finance companies rose 7.5 per cent to a high of SFx 778m. This was below the average annual growth of almost 10 per cent

growth of almost 10 per cent over the preceding ten years, and resulted from the fall in the dollar.

At unchanged exchange rates, balance sheets would have expanded by 13.4 per cent in 1985, their second steepest growth since 1971. Fiduciary husiness in Swiss-franc terms was even more sharply affected by the lower dollar, falling by 7.2 per cent dollar, falling by 7.3 per cent to SFr 215bn over the year instead of showing the 6.7 per cent increase which would have resulted at unchanged parities.
At the end of 1985, some 80 per cent of all fiduciary funds were held in dollars, 12 per cent in Swiss francs, 11 per cent in D-Marks and 17 per cent in other curren-

#### Foreign SFr borrowings up

By Our Zurich Corresp FOREIGN Swiss-franc borrow-FOREIGN Swiss-franc botrowing rose to SFr 5.44hn in
August as compared with
SFr 2.51hn in the previous
month and SFr 3.44hn in
August, 1985.
This marked increase was
due primarily to the rise in
bond and note issues by
foreign borrowers which
reached SFr 4.09hn this
August. 28 against only

August, as against SFr 1.94bn in July SFr 2.94bn a year earlier. The remainder was accounted for by bank loans, up to SFr 1.35bn from SFr 570m

SFr 1.350th from SFr 5/0m for July, 1986, and SFr 498m for August, 1985.

In all capital exports approved by the Swiss National Bank amounted to SFr 36bn in the first eight months of this year compared with SFr 28.1bn for January-

### French franc calendar trimmed

BY OUR EUROMARKETS CORRESPONDENT

THE FRENCH franc Euroboud As a result coupons on new committee, which is made up issues have to be high to attract commercial de France, and of bankers and Treasury investors interest.

The last issue of the September, because of poor 8 por cent coupon for the first borrower.

Danish Industry, led by Credit Commercial de France, and investors interest.

Remy Martin is also expected to issue. The other two bonds to FFr 2bn, from FFr 6bn in Finnish power company, had an British borrower and an Italian September, because of poor 8 per cent coupon for the first THE FRENCH franc Euroboud committee, which is made up of bankers and Treasury officials; has cut down scheduled new issues volume for October to FFr 2bn, from FFr 6bn in September, because of poor market conditions.

The French franc has come under pressure from the D.

market conditions.

The French franc has come under pressure from the Dupon for the first is expected to be a short-term Euro-French The first is expected to be a that Banque Indosuez would franc rates to above 9 per cent.

For the compon for the first borrower.

There was speculation yesterday that this would be Monte-day that the monte-day that t

#### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

US BOLLAR
STRAMPITS | Issued Bar Agrice day week
Ammo Co. 93, 15 | 280 | 1655 | 1657 | -654 | +754 |
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Anthrelia Com. 11, 95 | 280 | 1166 | 1165 | -654 | +754 |
Anthrelia Com. 11, 95 | 280 | 1166 | 1165 | +754 | +754 |
Anthrelia Com. 11, 95 | 280 | 1166 | 1166 | +754 | +754 |
BP Capital Tip 94 | 215 | 216 | 476 | +754 |
BP Capital Tip 95 | 280 | 2855 | 1866 | 64 | 476 |
Campital 11, 95 | 280 | 2855 | 1166 | 64 | 476 |
Campital 11, 95 | 285 | 285 | 285 | 285 | 66 |
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Royal Trustus 102, 90 C\$

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United Kingdom 5 92 \_\_\_\_ 6
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price a week carrier.

Insight Rate Mobar Desorminated in dollars unless otherwise
indicated. Coupon shown is middrume. C.die—Date sent coupon
becomes effective. Spread—Margin shove six-coupth offered rate
th three-mountly is shown many weeks for the deliver. Owner-The

Convertible Benetic Denominated in dollars totales otherwise indicated. City. day—Change on day. Cav. date—First date for conversion into stares. Cav. price—Nominal amount of bond perstance copressed in converse of share at conversion rate fixed at issue. Premium Percentage premium of the carrent effective price of acquiring shares via the bond over the most requiring of the

# Corporation

THIS ANNOUNCEMENT APPEARS AS A MATTER OF ENCOUNCY

US\$100,000,000 NOTE ISSUANCE FACILITY

ARRANGED BY

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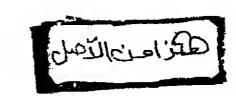
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ISSUING & PAYING AGENT MANUFACTURERS HANOVER LIMITED

CAROLINA BANK LIMITED

SEPTEMBER 1986



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### Consolidated-Bathurst Inc.

NOTICE OF PARTIAL REDEMPTION FOR MANDATORY SINKING FUND THE HOLDERS OF 171/2% SERIES I DEBENTURES DUE NOVEMBER 15, 1988

(the "Called Series i Debentures")

have been selected by lot by Montreal Trust Company and are hereby being called for redemption for sinking fund purposes only on November 15, 1986. Each Called Series I Debenture will be redeemed on November 15, 1986 in lawful money of United States of America at the principal amount of U.S.\$1,000 and payment thereof will be made to the holder thereof upon presentation and surrender thereof (together with all unmatured coupons appertaining thereto), at the option of the holder, at any of the following paying agents:

Orion Royal Bank Limited 1, London Wall, London EC2Y 5JX (Principal Paying Agent)

Dresdner Bank AG, Jürgen-Ponto-Platz 1, 6000 Frankfurt/Main 1, Federal Republic of Germany Compagnie Luxembourgeoise e la Dresdner Bank AG - Dresdner Bank International 26 rue du Marché-aux-Herbes. 1728 Luxembourg

Kradietbank N.V. Arenbergstreat 7; B-1000 Bruxelles, Belgium Morgan Guaranty Trust Company of New York Morgan House, 1 Angel Court, London EC2R 7AE

The Royal Bank and Trust Company 68 William Street, New York, N.Y. 10005,

Union Bank of Switzerland Bahnhofstrasse 45, CH-8021 Zurich, Switzerland

Coupons maturing on November 15, 1986 should be detached and presented in the usual way. Interest on the Called Series i Debentures will cease to accrue from end after November 15, 1986.

DATED This 8th October, 1986. by CONSOLIDATED-BATHURST INC. J. M. Dawson, Secretary



ORION ROYAL BANK LIMITED Amember of The Royal Bank of Canada Grot

### Strong betting side lifts Sears

GROWTH IN licensed hetting £18.8m. While Selfridges was and property development and affected by the lack of overseas investment enabled the Sears visitors in London and the group to show a 12.7 per cent increase in first half profit. For the period to end July it was up from £68.3m to £77m.

On current trading Mr Geoffrey Maitland Smith, chair-man and chief executive, said the new autumn ranges (in the multiple fashion division) had been well received, giving an encouraging start to the second haif. In the previous year that period produced £117m.

Turnover in the half-year moved sheed from £100m to

moved ahead from £1.08bn to £1.15bn, and the whole of the £6.1m increase in trading profit (to £74.6m) was attributable to betting and property.

Footwear retailing held its profit at £25.7m (£25.2m). In Europe it benefitted from the cost reduction programme insti-tuted last year, and that helped to counteract the effects of the poor weather in the UK and continued weakness of the Butler division in the US.

Profits in departmental stores, multiple fashion and other retailing fell by £1.7m to

visitors in London and the Lewis's stores by refurbishmen in the provinces, the multiple fashion side had an excellent half year, the chairman said. The US Butler division and Lewis's stores were thought to have both run into losses. Wallis, Foster Menswear and Adams Childrenswear showed significant growth in very com-

petitive markets.

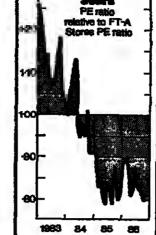
The William Hill betting offices lifted their contribution by 66 per cent to £13.6m, including the first time profit from the recent acquisitions in Belgium Other activities all did well

Motor vehicles and servicing accounted for £4.9m (£4.5m). property development and investment £11.4m (£9.1m), and enginering £200,000 (£1m).

Non-trading items pushed up their contribution from £1.9m to £6.5m, reflecting the sale of the interest in Control Indethe interest in Central Inde-pendent Television. But interest charges also increased, from £3.6m to £6.1m. Tax took £28m (£26m) and



Mr Geoffrey Maitland Smith,



minorities £300,000 (same) to shown at 3.2p (2.8p) per share leave the attributable profit at and the interim dividend is 1p £48.7m (£42m). Earnings were See Lex

#### Wedgwood and Waterford Glass in talks

By David Goodhart

Wedgwood, the fine china manufacturer which was the subject of a hostile £150m bid last April from the London International Group, currently being reviewed by the Monopolies and Mergers Commission, is close to an agreed deal with Waterford Glass, the Irish manufacturer of crystal and

Wedgwood announced yesterday, in view of the rise in its share price, that it had been having discussions with "third parties" which may or may not lead to an offer for the share

However the seriously interested bidders have now been limited to one—Waterford Glass. The two companies met Glass. The two companies met for talks on Monday and again yesterday and Waterford is expected soon to make an agreed bid—comfortably topping the LIG offer.

In the year to December 31, 1985, Waterford made pre-tax received to the companies of the companies of

1985, Waterford made pressure profit of 1£18.5m on turnover of 1£255m compared with Wedgwood's figures for the year to March 31, 1986, of £19.5m pretax on turnover of £152m. Fifteen months ago, Mr Paddy Hayes, the former chief execu-tive of Ford of Ireland, took over as Waterford chairman and the company has subsequently been divesting itself of several operations in order to return to lesser extent china.

Waterford and Wedgwood do not fear a reference to the MMC

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

The East Worcestershire

**Waterworks Company** 

Placing of £3,500,000

12½ per cent. Redeemable Debenture Stock, 1994/96 at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official Lief. The Stock will rank for interest parl passu with the existing Debenture Stocks of

In accordance with the requirements of the Council of The Stock Exchange £350,000 of the Stock is available in the Market on the date of Publication of this Advertisement.

date of Publication of this Advertisement.

Particulars of the Stock have been circulated in the Extel Statistical Services Ltd., and copies will be available, for collection only, during usual business hours until 9th October, 1986 from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours up to and including 23rd October, 1986, from

Seymour, Pierce & Co.,

10 Old Jewry, London, EC2R 8EA

or from the Company's principal office, 46, New Road,

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

**Essex Water** 

Company

Placing of £8,000,000

11% per cent. Redesmable Debenture Stock, 2002/04 at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List. The Stock will rank for interest pan passu with the existing Debenture Stocks and

In accordance with the requirements of the Council of The Stock Exchange £800,000 of the Stock is available in the Market on the date of Publication of this Advertisement.

Particulars of this Nave been circulated in the Extel Statistical Services Ltd., and copies will be available, for collection only, during usual business hours until 9th October, 1986 from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours up to and including 23rd October, 1986, from

Seymour, Pierce & Co.,

16 Old Jewry, London, EC2R 8EA

or from the Company'e principal office, Hall Street,

Chelmsford Essex CM2 0HH.

### Hewden up 31% to £4.76m

HEWDEN-STUART PLANT, Glasgow-based plant hire and supply group, yesterday reported a 31 per cent increase in pre-tax profits to £4,76m for the six wastle to Avenue 47

In contrast to previous years when the pattern of husiness was fairly erratic across the group, every area of activity fared well, although Hewden-Stuart is eager to improve its performance in the cranes and earth moving equipment divisions.

Although its core area of Although its core area of business the construction industry, suffered frum adverse weather conditions in the opening months of the year, the company succeeded in increasing both sales and profits by cutting costs and by its success in recent years in dispersions. in recent years in diversifying its customer base into other industries.

the second haif is rooted in the uncertain state of the plant hire industry, following the loss of capital allowances which means that Hewden has become liable for standard Corporation Tax for the first time. However in the company was the company has recent years the company has made provision for this. made provision for this.

Turnover rose to £62.39m
(£58.8m). Earnings per 10p
share increased to 3.51p
(3.28p) and the board intends

(3.28p) and the board intends to pay an interim dividend of (0.625p (0.575p).

Having directed Powertech and Isis, which it acquired earlier this year, Hewden is now looking for other acquisicomment Hewden-Stuart is characteris-

Like most other plant sup-tically dour in its projections pliers Hewden benefited from an for the second half, perhaps

upsurge in demand in the first unnecessarily so. The plant hire HEWDEN-STUART PLANT, upsurge in demand in the first construction companies as take of turnoil after the and supply group, yesterday as construction companies a state of turnoil after the bought new plant before caping pre-tax profits to £4,76m for tal allowances were phased out the six months to August 31, at the end of the 1985-86 tax that profits growth was likely to be elightly slower in the second half.

The company's warning about the rate of profits growth in the second half is rooted in the second hiring activity will benefit along with everyone else and the plant supply division will simply change its customer base, from the construction industry to fellow plant hirers. The seasonality of sales will change profoundly, however, marking the end of the traditional rush before the end of the tax year. Yet the company's prudent tax planning should ensure that earnings per chare are cossetted from the ehare are cossetted from the full rate of corporation tax for some years to come. The City expects profits of film for the full year producing a prospec-tive p/e of 10.5, which suggests that the shares, np by 1p to 68p yesterday, will move with

### Higher Hutchison stake opposed

further increase in the Hutchi-

as Waterford's Aynsley China is a relatively small operation but on Monday, Mr Simon with sales of only about £15m. | Murray, the Hutchison manag-

8th October, 1986

8th October, 1986

Pearson, the industrial, banking and publishing group which
interest in increasing the stake.

The Pearson statement said:
welcome any further increase
told Hutchison Whampon, the
Hong Kong trading company,
that it would not welcome any market of the Pacific basin for
chairman, said he had spoken a broad range of its businesses. However, the Pearson board has son bolding.
Hutchison currently holds a

to Mr Murray who was now considering his position. "It is not necessary to have a large concluded it would not be in the company's interest to be too closely identified with any one company based in that area."

"It has, therefore, informed things are very friendly," said Hutchison that while interested Lord Blakenham.

#### **Confident Geest boosts** profits 32% to £5m

which is planning to seek a stock market listing later this year, expanded its profits before tax by 32 per cent to £4.94m for

ing. Lincs-based private con-cern stated that the normal seasonal nature of the business was that profitability in the second half could not be ex-pected to match that of the first. However, they viewed the outlook for the second half, the full year and for the medium term future of the group with confidence, Profits for 1985 were

Geest Holdings, Britain's and directors said that the full largest supplier and distributor benefits of these changes would of fresh fruit and vegetables, be reflected in operating profits during 1987 and beyond. Sales of fresh produce were very encouraging, the directors stated, and this business would

tax by 32 per cent to £4.94m for the six months ended June 28 to 28. This compares with £33.74m previously and was achieved on turnover 10 per cent higher at £216.73m against £196.95m.

The directors of this Spalding, Lincs-based private concern stated that the normal seasonal nature of the business was that profitability in the second half could not be ay. tural sector had a disappoint-ing first half and incurred a loss. To remedy the situation directors had decided to divest the houseplant growing busi-ness which had been earning unsatisfactory margins.

Profits included an exceptional credit of £486,000

(£128,000) from the sale of surplus properties, partly offset by restructuring costs of £191,000. Further property sales and restructuring costs were expected in the second half of the year 330.

Mersey Docks

Due to a typographical error the Mersey Dock and Harbour company's estimate of the level of docker overmanning was yesterday reported to be 4,330. Mersey Docks

#### **Burns-Anderson £2.3m rights**

Burns - Anderson has offered under Burns-Anderson's announced a one-for-five rights previous rights issue were issue to raise £2.3m for its accepted.

expansion plans. This is the company's second rights issue was accepted.

N. M. Rothschild & Sanz in the company's second rights issue was accepted. pany's second rights issue acting as underwriter and the within a year after raising £1.7m brokers are Panmure Gordon via a three-for-ten issue in

The group has four diverse shopfitting. motor distribution and financial services—but it is the last-named which is the company's main target for expansion, prob-

ably via acculsition.

At the interim stage, the chairman singled out the financial services division as the driving force behind the 80 per cent increase in pre-tax profits during the six months ended

The directors forecast that for the full year, pre-tax profits would be not less than £1.7m. compared with £940,000 in the

and Charlton Seal Dimmock. The shares closed 2p down at

an environmental services com-pany fighting an £80m takeover bid from Coalite, has denied that its directors have reduced their shareholdings in their

No share sales by directors say Hargreaves Hargreaves Group, the energy

own company.
Mr John Wood, Hargreaves' chairman, has written to share-holders saying that Coalite had previous year.

The shares are being offered at 71p, a 11.25 per cent discount to Monday's closing price. Just over 90 per cent of the shares past 12 months.

#### John Crowther in dispute on pay-outs By Nikki Tale

A ROW has broken out John Crowther, the fast-growing textile company, and the former chairmen at two of its

recent acquistions.

The dispute concerns compensation payments claimed by the two men after their contracts with Crowther had been terminated.

heen terminated.

Crowther is one of Britain's fastest-growing textile companies, with pre-fix profits rising from £227,000 in 1983 to an estimated £14.5m in the current year. Recent acquisitions include Carpets International, Sunbeam Wolsey, Speedo (Europe) and—in July this year—the cause of the current rumpus, the merged A and J Geifer-David Dixon group.

merged A and J Gelder-David Dixon group.

The company said yester-day that contracts with Mr Ben Steen, previously chairman of Glasgow-based A. & J. Gelfer, and Mr Harry Turpin, who headed the David Dixon group, had been terminated. But it added that claims for compensation by the two men compensation by the two men-estimated at £450,000 and

compensation by the two men —estimated at £450,000 and £490,000 respectively—were, in its view, "grossly exaggerated and unsustainable." Mr Steen, whose son is still in charge of the Gelfer business, yesterday refused to elaborate on his departure from the Crowther group. But Mr Turpin maintains: "Promises were not fulfilled and I will be suing the company for £400,000. It is only because my solicitor has been on holiday that I haven't done so yet—a writ will go in within ten daya."

The merger between David Dixon and A. & J. Gelfer took place last March when it was agreed that at the next AGM

place last March when it was agreed that at the next AGM. Mr Steen would stand down as chairman of the enlarged group and Mr Turpin—aged 61 and already chief executive—succeed him. Mr Steen, who is 65, would become an executive director and enter a five-year service, contract

executive director and enter a five-year service contract under which be would retain his existing salary and act as managing director of Gelfer. However, in July the merged group agreed a £20m offer from Crowther. Mr Steen's contract was ensurined in the Crowther offer document which also stated that it "provided for a payment by Gelfer to him on expiry of such contract or its fermination for any other termination for any other reason, of a gress sum of £100,000."

As far as the former Dixon chairman is concerned, Crewther chairman his Trevor Barker said, "It was always agreed that Mr Turpin would take a men-executive and advisory role." Mr Turpin, however, claimed that there were "certain monetary conditions" which Crowther has not amered to.

Mr Turpin, meanwhile, has new plans for the future. Tonew plans for the future. To-gether with another former Dixon director, Mr Vy Menon, who left Crowther last week—anicably—he is acquiring a stake in S. Casket, the Manchester menswear lamporter and distributor and joining the board.

Together the two men hold

550,000 shares—300,000 and 250,000 respectively—or 5.2 per cent. Mr Turpin siets in as a Bon-executive director while Mr Menon becomes while Mr Menan becomes jeint managing director.

According to Mr Turpin, the plan is te first take a look at the business—which earlier this menth reported a 40 per cent drop in profits for 1985-86 to £548,000—and there.

for 1985-86 to £548,006—and them. If sultable, to inject some manufacturing businesses. At present, Casket is solely an importer and distributor. "We might also broaden the range from menswear to ladies and childrenswear," he added. The two new directors acquired their stakes both from the Casket family and from outside shareholders. Kingsley and Forester has Ringsley and Ferester has sold its entire stake—550,000 shares—while Mr Tony Casket, deputy chairman and joint managing director, has disposed of 77,000, thus reducing his beneficial holding to 711,271 shares. A trust of Mr P. Casket has also sold 85,900 shares, so that its helding now stands at 593,248 shares. Brokers estimate that around 12 per cent of the company shares have changed hands in the past fortnight.

Mr Casket said "we see this as a strengthening of the board—both men have excellent track records. We met by introduction and it seemed a good proposition." Shares in Casket stood at 56p yesterday, capitalising the company at \$5.9m.

Aiva Investment ...int 1.3 Ash & Lacy ......int 11

Bewtherpe .....int 2.68 

Comeap ....int 0.75
Hewden-Sinart ...int 0.63
Lamout Hidgs ....int 1.57
Lin & Edinburgh int 3

### Christies profits rise and new season's outlook good

Christies International, the leaving net interest receipts and had currencies been kinder fine art auctioneer, yesterday depleted at £57,000 compared as much as £650,000 would have been added to the pre-tax, thalf 1986 operating performance on turnover some £1m After costs and administrative the major stock markets in the pre-tax.

months to June. The turnover figures also now include client charges which were formerly taken within anction and print

taken within anction and print costs.

Mr Jo Floyd, the chairman, said that Christies was "alone among the major anction houses in achieving an increase in sales in sterling terms," for the traditional October-to-end-July season for which all the houses separately report sales figures.

The drive to cut costs continues and according to the company, savings were achieved in administration where the overhead charge was down f417,000 to £10.59m. Anction and print costs were £15.23m against £16.49m previously.

The final stages of the \$9m New York development plus computerisation and freehold property purchases in London property purchases in London have run the cash pile down

comment

The interim dividend is an unchanged 1.5p on earnings per share of 8.52p (8.05p).

current, the company was confident of the outcome.

expenses Christies reported operating profits ahead to \$7.17m (\$6.68m). Net of rental income, interest and the contribution from CCA and the contribution fr A £2m sales contribution from the floated off CCA Galleries (formerly Christie's Publications) was included in the £34.2m reported for the first six months of 1985. CCA is now a 35 per cent owned associate and contributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed £43,000 in the six months to June. The turnover of £3.75m (£3.76m) leaving attributed to this is a trying time for the big three anction houses who can never be quite sure just how much nostalgia (and of the new season. As ever the battle is to get overheads down so that any fall in sales in this highly operations. so that any fall in sales in this highly operationally geared business will hurt less. While there is clearly some progress in this direction detectable in these fewers. share of 8.52p (8.05p).

The outlook for the new there is now a substantial season which began this mouth was very good, said Mr Floyd, with several important items the last full season already booked for autumn and art prices generally are not have the season already booked. already booked for autumn sales.

The cloud which had hung over the company since the resignation of Mr David Bathurst a year ago, following a dispute with a vendor over the prices of eight impressionist paintings, had passed, he said. While the court case that had followed this incident was still curreot, the company was confi-August) and the more sober of analysis are expecting film pre-tax which has the shares, at 2658p, looking fairly fully Christies has every reason to valued on a prospective rating be pleased with these figures of 15.

### Cass helps TR to 12.5% growth

Group enabled Telephone
Rentals to lift its UK profits by
8 per cent and overall pre-tex
belance by 12.5 per cent, from belance by 12.5 per cent, from the first trom the main UK business were only slightly up on last year. Profits from the Cass
half of 1986.

There was a substantial important of the first properties from the Cass of the competition of the first profits from the main UK business were only slightly up on last year. Profits from the Cass
last year. Profits from the Cass
Croun (internal competition from boin (£21,000), the attributable profit came to £4.95m (£4.68m) for earnings of 6.04p (6.02p) per share. UK tax charge went up from £1.97m to £2.52m mainly as a result of reduced rate of last year. Profits from the Cass

There was a substantial improvement in overteas opera-tions, when expressed in local currencies. In aggregate their contribution was 39.5 per cent higher than in the like period of 1985.

Foreign currencies were conments in the results from the erted at market rates on June Republic of Ireland, Canada, comparisons were amended France and South Africa. However, minor losses were inchange rates during that year. curred in the US and Australia. Foreign currencies were con-verted at market rates on June 30; comperisons were amended to reflect variations in foreign

Sir Charles said that in the leaving TR with some 65 per UK rental and sale husiness content of the capital. The funding timed at a high level in all allowed the repayment of borrowings and provided for the lar the sale and maintenance of future. telecommunications equipment After was well shead despite the in-

ingher than in the like period of 1985.

On prospects, Sir Charles
Ball, chairman, said the year'e the policy of expanding into profit was expected to show an improvement over the £15.68m of 1985. The interim dividend is raised from 2.5p to 2.75p net, at a cost of £2.26m (£1.94m).

Foreign currencies were con-

Turnover in the period rose
trading profit was up 15 per
trading profit was up 15 per
32.5 per cent to £45.18m while
through an issue of new shares,

After tax £2.88m (£2.29m) and minorities £20,000

Group (internal communications and pocket paging systems) were in line with expectations.

The chairman stressed that the group remained committed to sustaining the growth of the TR fitted base and in line with the group remained committed to sustaining the growth of the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the transfer of the interim increase but the group for the grou half of the interim increase but is only just washing its face given that £7.8m was paid for it. The decision to list the South African subsidiary provides a useful opportunity to spread the holding in one of the few sectors that is liable still to be attractive to that country's embattled investors. In the UK there was no slackening of pressure from BT and others in the sure from BT and others in the margins remain vulnerable. Expectations for the year are of film pre-tax, only 8 per cent ahead of last year if the film expected from CASS is stripped out. The six per cent yield continues to give some appeal to but a string of sub-10 per cent profits rises hardly makes for a

#### Blacks rescue agreed

THE flm rescue package to cent stake must trigger a full save Blacks Leisure from receivership has finally been agreed. The consortium beaded by two accountants—Mr Bernard and Mr Thornton, son of the former chairman of Debenhams.

Garbacz and Mr Leslie Lesser—
and Mr Alan Thornton, the
former managing director of
Lotus Shoes, agreed last night
to invest the film in return
for S3m new chares in the

Mr Robert Thornton, is expected
to become chief executive.

Mr James Higgins will remain
on Blacks' board, but Mr
Mervyn Frankel, currently nonexecutive chairman, Mr Tony
card a non-executive director,

The share stake is 37.4 per cent of the enlarged equity, but the Takeover Panel has agreed to waive the rule that a 29 per will be staying

#### Water issues total £19m

Four water companies—Essex works is issuing £3.5m of 12½ Water, Portsmouth Water, per cent redeemable debenture Tendring Hundred Waterworks stock 1994-96 yielding 12.5 per and East Worcestershire Water-works—are issuing debenture and redeemable preference stock with a par value totalling Seymour, Pierce is broker to the issue. Dealings on the debenture issues start tomorrow. Those of the preference issues begin tomorrow week.

Essex Water is issuing two stocks. One is £5m of 81 per cent redeemable preference stock 1993, yielding 12.15 per cent at par value. The other is £8m of 113 per cent redeemable debenture stock 2002-04 yielding 11.75 per cent.

Portsmouth Water is issuing £1.25m of \$4 per cent redeemable preference stock 1996 which will yield 12.32 per cent, and Tendring Hundred is issuing £1.5m of the same stock. East Worcestershire Water

Bestweed, the investment and property services company headed by Mr Tony Cole, has acquired a total of 1.48m shares or 9.89 per cent of Buckley's Brewery, the South Wales company. Buckley's shares fell 4p to 116p.

### Bestwood/Buckley's

**DIVIDENDS ANNOUNCED** 2.3 20,25 7 5.5 7.2p 1.5 1.7 4.5 6.25\* 

#### No Inoco support for Petranol plan

Inoco, which earlier this year failed to acquire Petranol, a fellow London quoted US oil company, yesterday got its own hack by announcing that it would not support Petranol's expansion plans.

In a frosty letter to Dr Norman White, chairman of Petranol, Mr Alan Milton, director of Looco said that his company would not be taking up its 7 per cent share in the £6m rights issue and would be voting against the proposed acquisition of Apollo, a private US cil and gas company. Mr Milton noted that two

of the main shareholding directors do not intend to take up their rights, while another director, Mr Gilbert Perry, who owns 10 per cent of the shares resigned from Petranol less than a week ofter recommend. than a week after recommend-ing the proposals to share-holders.

This edvertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any securities in J.T. Partish PLC ("Partish") Application will be made to the Council of The Stock Exchange for the entire issued, now being issued and to be issued (fully paid) share capital of Parrish to be admitted to the Official List.

J.T. Parrish PLC

Introduction to the Official List ishions of Dunkley Marshall and E. F. Matthews & Co. and The Coine Investment Corporation Limited Subdivision of Ordinary steres Rights issue of 1,440,200 new Ordinary shares of Speach at 160p per share

SHARE CAPITAL

issued, now being issued and to be issued, fully paid Ordinary shares of 5p each Listing Particulars relating to the Optimary shares of Sp each to be issued pulsating to the nights issue, to be issued as a consequence of the aubdivision of each existing Optimary shares of Sp each and to be issued as consideration for the proposed acquisitions of Dunkley Marshall, E. F. Meithews & Co. and The Colon Investment Comparation Limited (CCC) are available in the statistical services of Exist Statistical Services Limited. The Listing Particulars have been prepared on the basis that the acquisitions of Dunkley Marshall, E. P. Meithews & Co. and CIC are approved by shareholders of J. T. Parpish PLC at an Extraordinary General Meeting convened for 12th October 1986. ting to the Optimary shares of 5p each to be issued

Copies of the Listing Particulars are available for collection from the Company Amouncements Office, The Stock Exchange, Throgmonton Street, London ECZP 28T mill Fridey, 10th October, 1996 and may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 5th November, 1986 from:

County Marked Daspers Gerdens 12 Theographics Ac London ECZP 25%

£1,000,000

IT. Person PLC 128 Queen Victoria Street London ECAP 4 X

edens Labog & Conscionante Plancy House 7 Coputali Avenna Loudon BCZR 78E Dated 8th October, 1985

Bowtl and re

#### **UK COMPANY NEWS**

### Bowthorpe ahead 19% and record year expected

segnia Octopes g ff

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100 E

Comment

.....

No Inoce support 18 Petranoi P

Mark Survey

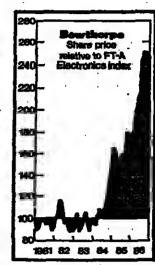
Bowtherpe Heldings, the electronic and electrical com-ponents group, has announced interim pre-tax profits up 19 electronic and electrical components group, has announced interim pre-tax profits up 19 per cent to £13.63m for the half year ended June 30. The interim dividend is being increased 15 per cent to £68p per share, against £33p last time.

In his statement, Mr Ray Parsons, executive chairman, said he confidently anticapted a further record in profits and sales for the current year.

UK profits increased to 42.2 per cent of the pre-tax total, partly due to the adverse effect of currency movements (estimated at £201,000) on overseas profits. In total, operating profit was £12.85m (£10.9m), after profits from related companies of £616,000 (£608,000). Interest income was up from £545,000 to £782,000.

After UK taxes of £2.04m (£1.77m), overseas tax of £3.81m (£3.22m) and minority interests of £452,000 (£472,000), earnings per share were up 22 per cent at 18.5p (13.5p). Turnover was £70.58m (£64.14m).

Bowthorpe specialises in producing low-cost volume components for a diversified international range of customers.



Around 25 per cent of its sales go to the defence industry. In the last few years, the company has concentrated on seeking out "niche" areas in the electronics sector and to that end, it paid \$4.9m in April for Protimeter, the moisture meter manufacturer.

Bowthorpe has been steadily increasing its profits for some years now but these figures still managed to exceed expectations and the shares closed up 250 at 570p. The performance was all the more creditable, if the weak-ness in the US electronics market (22 per cent of pre-tax profits) and the adverse effect of currency movements is considered. There were also problems in Japan and in three small British companies. How-ever, Bowthorpe is by new so diversified that it would take quite a major combination of adverse factors to unsettle it. A quite a major combination of adverse factors to unsettle it. A question mark remains over the extent to which further margin improvements can be squeezed out of the core businesses (the return on sales was up from 16.1 per cent to 17.3 per cent this time), Perhaps the move into instrumentation will give the margins about In any case. the margins a boost. In any case, assuming pre-tax profits of £28.5m for the full year, the prospective multiple of 16.5 seems to indicate that the market is confident about the long term growth prospects.

MR DENNIS COOK, former chairman of the Phoenix Timber group, has received £170,000 in compensation for loss of service, according to the company's accounts for the year ended last Maych.

Compensation

Phoenix chief

for former

Profit before taxation

Profit after tax and minorities

Earnings per ordinary share

These results, which exceed the profit

forecast made in connection with the listing

of the Company's shares on The Stock

Exchange earlier this year, reflect a high contribution from corporate finance activities

and a good performance overall from the

contribution from banking and international

capital market operations was ahead of our

number of new issues during the period in

the Euro-sterling market. The results of our

investment management operations were also well ahead of budget as were those of our

Considerable progress has been made

integrated securities business. Full ownership

of Pinchin Denny & Co. and Pember & Boyle

was acquired in April 1986, Morgan Grenfell

Securities having become a member of The

Stock Exchange in March, Following a

Co. Limited lead managed a significant

during the period in developing our

expectations; in particular, Morgan Grenfell &

other activities of the Group. The

overseas subsidiaries.

#### **Select Appointments for** USM with £8m value

MORGAN GRENFELL

Good performance

across the Group

Extract from the interim report of the Chairman, Lord Catto:

51,191

33,345

**28.0**p

Select Appointments, a receds of the flotation will give cruitment consultancy, has amounced plans to go public moving into the US," said Mr not the Unlisted Securities Market in April next year. The flotation will value the company are also keen to expand in the US."

6 months to 30.685

34,051

19,961

significant recruitment programme, research

market are now in place together with an

teams covering the major sectors of the equity

experienced sales team. All our securities staff

Circus in readiness for the commencement of dual capacity trading after 27th October.

In June of this year the Group's capital

base was increased substantially by the raising

of £154 million (net of expenses) of new

million of primary capital in the form of

undated floating rate notes and our total

The consolidated balance sheet includes

securities business.

equity capital. The capital base was further

strengthened in August by the issue of \$200

capital resources now exceed £590 million.

trading balances attributable to our enlarged

in the outcome for 1986 as a whole and has

approved the payment of an interim dividend

of 3.5p per share payable on 21st November

to holders of record on 23rd October, 1986.

The Board continues to have confidence

are now based in new offices at 20 Finsbury

17.8p

### LET lifts interim 20% as profits surge towards £7m

things to come in the second half.

The interim dividend is again 3p a share, but effectively a 20 per cent increase when adjusting for a serip. Total payment for 1985 was 6.25p.

The share price rose quickly to 695p as the results were amounced, but then ran into profit-taking before settling back at its overnight level of 685n.

back at its overnight level of 665p.

First half 1986 profit compared with £3.26m last time.

Mr John Beckwith, chairman, made the guarded prediction that results in the second half would be satisfactory—the company was prevented from making a profits forecast by virtue of its offer to take a stake in Kellock Trust, the recourse factoring company.

But LET and Balfour Beatty, the joint owners, were planning year.

Although there was e substantial increase in LET's net rental increase in LET's net rental increase in LET's net rental increase in LET's net first half, sgainst £598,000, the first half, sgainst £598,000, the basic cause of the increased profits was a return from office developments in Paris, the City of London and Reading—some £5.5m in all.

Net profits were £5.5m Net profits were £5.5m (£24m). Earnings per share, the first half, sgainst £598,000, the basic cause of the increase in LET's net rental income to \$1.08m during the first half, sgainst £598,000, the basic cause of the increased profits was a return from office developments in Paris, the City of London and Reading—some £5.5m in all.

Net profits were £5.5m Net profits were £5.5m (£24m). Earnings per share, the first half, sgainst £598,000, the first half sgainst £598,000, t

London and Ediaburgh Trust, to offer for sale, probably in the fast expanding property November, 40 per cent of the company, yesterday satisfied market expectations by mare equity in London and Metromarket expectations by mare politan Estates. This could than doubling its interim pretax profits to £6.9m and giving a muted promise of better things to come in the second half.

The interim dividend is again from the interim dividend is again from the interior dividend in a script that is a could be in a script the interior dividend in a could be in a could be interior to offer for sale, probably in November, 40 per cent of the equity in London and Metropolitan Estates. This could than extra-ordinary capital gain of £15m.

This, plus higher retained profits, would substantially strengthen LET's balance sheet. He is a could be in the could be in the could be in the second ball and the could be in the could be in the second ball and the could be in the c

The second half should see a continuation in the trend of higher revenue from develop-ments that was clearly evident in the first.

Although there was e sub-

#### Falcon sells tool offshoots to Newship for £3m

Falcon Industries, building, James Neill Holdings, tools and engineering group, is Yesterday Falcon's selling its Jenks and Cattell rose 5p to 44p. and Burgon and Ball garden The price was £2.73m tool subsidiaries for about £3m the companies book to Newship Industries, private holding group, which

Mr Cook left the company in March following a bitter battle for boardroom control. He and two other directors, who left at about the sam etime, issued a writ against Phoenix claiming damages arising from termination of their employment.

Mr Peter Quinn, new chairman, said in his annual statement that the company had been advised that it would be in its claims of former directors for Elect bought itself out of the first company to do so, in order to prepare for its USM floation, and to expand overseas. The capital, raised by the floation, will be sponsored by stockbrokers, Kleinwort Grievesson, will be used to finance the addition to the £170,000, it would make a contribution of \$4.250 towards Mr Cooks legal costs.

| Mr Cook left the company in floation will value the company are also keen to expand in the UK by acquiring niche recruit. The consultancies.

Select operated at a loss in its first year of business but has since moved into profit. In the current year to April 5, the current raicon has been looking for a buyer for the offshoots for some time as part of the reorganisation under Mr Michael Fasteners, meant that the group's reorganisation was and managing director. In the six months to June 30 1985 "We are left with a group operating profits for Jenks fell in which we have confidence." The six months to June 30 1985 "We are looking for Buryon suffered a 595,000 considerable improvement in

£,000

68,821

41,525

36.0p

rose 5p to 44p.

The price was £2.75m below the companies' book value. Falcon wrote off about £1m of the amount in last year's accounts and the rest be

written off this year,

"We are left with a group in which we have confidence," ha said, "We are looking for considerable improvement in this year's figures."

Under the deal, which is subject to shareholders' approval, Falcon will pay off £3m of the companies £8m debts. The exact proceeds depend on the valuation of assets on com-

#### Citygrove to join USM

Citygrove, a retail property developer which specialises in out-of-town "retail park" de-velopments, is joining the Un-listed Securities Market in a placing of shares which capi-talises the company at £6.9m. The company procures, plans and develops retail parks—that is out-of-town shopping tenties—and then puts together groups of retailers to fill the parks.

In the current financial year Citygrove has completed, or expects to complete, nine retail parks and has begun construction work on five more parks. In the next financial year, to November 30 1987, it expects to develop 500,000 sq ft of re-tall park space.

In the current financial year the board anticipates pre-tax profits of £525,000 on turnover of £12m.

In the placing sponsored jointly by the merchant bank, Hill Samuel, and stockbroker, Wood Mackenzie — Citygrove will release 3m ordinary shares or 43.5 per cent of its equity, at 100p a share producing a pros-pective p/e of 14.3.

The flotation will produce £1.5m to be invested in the company.

#### CANADIAN CO-OPERATIVE CREDIT SOCIETY LIMITED

U.S.\$90,000,000 Revolving Underwriting Facility Due 1990 (Series 4)

Notice is bereby given that for the one month interest period from the 8th October, 1986 to the 10th November, 1986 the following will apply:

(1) Rate of interest 6.10% pa

(2) Interest amount US\$2,795.83 per US\$500,000

(3) Interest payment date 10th November, 1986 MERRILL LYNCH INTERNATIONAL BANK LTD Agent Bank

> Halifax Building Society

Floating Rate Loan Notes 1992 For the three month period from 7 October, 1966 to 7 January, 1987 the Notes will bear interest at the rate of 10%, per cent. per annum. The Coupon amount per £5,000 Note will be £137.84, psyable on 7 January, 1987. Morgan Grenfell & Co. Limited Agent Bank

> I.G. INDEX FT for October 1,254-1,260 (-7) Tel: 01-828 5699

NOTICE OF ISSUE

ARRIDGED PARTICULARS

This advertisement is issued in compilence with the requirements of the Council of The Stock Exchange, Application has been made to the Council of The Stock Exchange for the

### **Essex Water Company**

#### OFFER FOR SALE BY TENDER OF £5,000,000

8½ per cent. Redeemable Preference Stock, 1993 (which will mature for redemption at par on 31st December, 1993)

Minimum Price of Issue £100 per £100 of Stock

yielding at that price, together with the associated tax credit at the current rate, £12,147 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto.

The preferential dividends on this Stock, which will rank for dividends with the existing Preference Stocks, will be at the rate of 846 per cent. per annum without deduction of tax, Under the Imputation tax system, the associated tax credit, at the current rate of Advance Corporation Tax (\*27/15ts of the distribution), is equal to a rate of 3.522 per cent, per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Listing Particulars and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Ernst & Whinney, 7th Floor, Sun Alliance House, 50 Fenchurch Street, London ECSM 3-Y marked "Tender for Essex Whiter Stock" so as to be received not later than 11 a.m. on Thursday, 19th October, 1986. The betance of the purchase money will be payable on or before Tuesday, 23rd December, 1986.

Copies of the Listing Particulars, on the terms of which slone Tenders will be according.

Copies of the Listing Particulars, on the terms of which alone Tenders will be considered, and Forms of Tender will be available, for collection only, during usual business hours today and tomorrow from the Company Amouncements Office of The Stock Exchange, London ECZ. Copies may also be obtained during normal business hours from:—

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R SEA.
National Westminster Bank PLC,
P.O. Box 12, National Westminster House, 6, High Street, Chelmsford, Essex CM1 1BL

and from the Company's principal office, Hall Street, Chelmsford, Essex CM2 CHH. 8th October, 1986

NOTICE OF ISSUE

ABRIDGED PARTICULARS This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

### **Portsmouth Water Company**

OFFER FOR SALE BY TENDER OF £1,250,000

8¾ per cent. Redeemable Preference Stock, 1996 (which will mature for redemption at par on 31st December, 1996)

Minimum Price of Issue £100 per £100 of Stock yielding at that price, together with the associated tax credit at the current rate, £12.323 per cent.

This Stock is an investment authorised by Section 1 of the Trustne Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto.

The preferential dividends on this Stock, which will rank for dividends with the existing Preference Stocks, will be at the rate of 644 per cent, per annum without deduction of tax. Under the imputation tax system, the associated tex credit, at the current rate of Advance Corporation Tax (\*\*\*Prints of the distribution), is equal to a rate of 3.573 per cent, per annum.

Tenders for the Stock must be made on the Formof Tender supplied with the Listing Particulars and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Lloyds Bank Pic, Registrar's Department, Issue Section, PO Box 1000, 11, Bishopagate, London EC2N 3LB marked "Tender for Portsmouth Water Stock" so as to be received not later than 11 a.m. on Thursday, 18th October, 1985. The balance of the purchase money will be payable on or before Thursday, 18th October, 1985.

Copies of the Listing Particulars, on the terms of which alone Tenders will be considered, and Forms of Tender will be available, for collection only, during usual business hours today and temorrow from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours from:—

Seymour, Pierce & Co.,

10, Old Jewry, London EC2R 8EA. Lloyds Bank Pic,

Registrar's Department, Issue Section, PO Box 1000, 11, Bishopsgate, London EC2N 3LB.

4, West Street, Havant, Hants. PO9 1PE and from the Company's principal office, "Brockhampton Springs", West Street, Havant, Hants. PO9 1LG. 8th October, 1986

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

#### **Tendring Hundred** Waterworks Company (incorporated in England by the Tendring Hundred Waterworks Act, 188

OFFER FOR SALE BY TENDER OF

£1,500,000

8¾ per cent. Redeemable Preference Stock, 1996 (which will mature for redemption at par on 28th November, 1996)

Minimum Price of Issue £100 per £100 of Stock yielding at that price, together with the associated tex credit at the current rate, £12.323 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1981 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto.

The preferential dividends on this Stock, which will rank part passu for dividends with the existing Preference Capital, will be at the rate of 8½ per cent. per annum without deduction of tax. Under the imputation tax system, the associated tax credit, at the current rate of Advance Corporation Tax (\*\*)/\*\*rists of the distribution), is equal to a rate of 3.573 per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Listing Particulars and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in assessed envelope to Delotitis Haskins & Setts, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London ECAP 4JX marked "Tender for Tendring Hundred Water Stock" so as to be received not later than 11 a.m. on Thursday, 16th October, 1986. The balance of the purchase money will be payable on or before Tuesday, 25th November, 1986.

Copies of the Listing Particulars, on the terms of which alone Tenders will be considered, and Forms of Tender will be available, for collection only, during usual business hours today and temorrow from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours from:—

Seymour, Pierce & Co., 10, Old Jewry, London EC2R 8EA.

Deloitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX Barclays Bank PLC,

4, High Street, Manningtree, Essex CO11 1AF and from the Company's principal office, MILL Hill, Mistley, Manningtree, Essex CO11 2AZ. 8th October, 1986

23 Great Winchester Street, London EC2P 2AX

### This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any securities in CVD incorporated (the "Company").

### C V D Incorporated

Introduction to the Official List Sponsored by Phillips & Drew

Share Capital

Authorised

in charge of Common Stock of par value to 61.

Issued and Fully paid \$116.70

The Company is a major producer of materials made by the chemical vapour deposition (CVD) process. These materials, having numerous military and commercial applications, are used as infra-red windows, lenses and other optical elements. Military applications include use in guidance systems of missiles and thermal imaging systems of aircraft and tanks. Commercial applications include use in high-power lasers for medical surgery or industrial welding, as well as use in weather satellites, infra-red scanners and burglar alarms. The Company also performs contract research and development on advanced materials for commercial companies and U.S. Government agencies.

Application has been made to the Council of The Stock Exchange for the admission of the whole of the issued share capital of the Company, currently dealt in in the Unlisted Securities Market, to the Official List. It is expected that the Company's share capital will be admissed to the Official List on 10th October, 1986 and that dealings will commence on the Official List on 13th October, 1986. Details relating to the above shares are available in the statistical services of Extel Statistical Services Limited. Copies of the listing particulars may be obtained during usual business hours on any weekday (Saundays and public holidays are encepted) up to and including 22nd October, 1986 from:—

CVD Incorporated 185 New Boston Street Waburn Massachusetts 01801

8th October, 1986

Phillips & Drew 120 Moorgate London EC2M 6XP

Company Amouncements Office The Stock Exchange Throgmorton Street London EC2P 2BT (8th-10th October inclusive only)

NOTICE OF REDEMPTION To the Holders of

**International Standard Electric Corporation** 

61/2 Convertible Sinking Fund Debentures due 1989

(Convertible on and after May 15, 1970 into Common Stock of ITT Corporation)

NOTICE IS HEREBY GIVEN, that pursuant to the terms of the Indenture dated as of November 1, 1969 (the "Indenture"), between International Standard

Electric Corporation (the "Company") and Bankers Trust Company, as Trustee (the "Trustee") (i) \$1,250,000 principal amount of the Company's 6½% Convertible Sinking Fund Debentures Due 1989 (the "Debentures") have been called for redemption through the operation of the mandatory Sinking Fund on November 1, 1986 pursuant to Section 3.02 of the Indenture at 100% of the principal amount thereof (the "Redemption Price"), and (ii) an additional \$1,250,000 principal amount

of the Debentures have been called for redemption through the operation of the optional Sinking Fund on November 1, 1986 pursuant to Section 3.02 of the Indenture, also at 100% of the principal amount thereof (the "Redemption Price").

On November 1, 1986, the Redemption Price will become due and payable upon all Debentures, payment of regular interest on the coupons will be made in the usual manner and all future interest thereon shall cease to accrue on and after said date. All Debentures, together with all coupons appertaining thereto maturing after November 1, 1986, are to be surrendered for payment of the redemption price at the main offices of any one of 1) Bankers Trust Company in London, 2) Bankers Trust Company in Paris, 3) Hollandsche Bank Unie, N.V. in Amsterdam, 4) Societe Generale de Banque S.A. in Brussels, 5) Dresdner Bank Aktiengesellschaft in

Frankfurt, 6) Banque Generale du Luxembourg S.A. in Luxembourg, 7) Banca Nazionale del Lavoro in Milan, and 8) The Corporate Trust Office of Bankers Trust Company in the Borough of Manhattan, The City of New York; provided, however, that if Debentures are surrendered in the City of New York, certain certifications or information may be required in order to obtain relief or exemption from U.S. withholding taxes.

The following certificate numbers of Debentures are to be redeemed in whole for \$1,000 principal amount:

Ravensbourne Registration Services Limited Bourne House 34 Beckenham Road Beckenham

totalled £5.19m.
Turnover for the six months amounted to £33.06m, against £25.3m. a 31 per cent increase. Gross profits were £5.87m (£4.11m) giving higher margins of 17.6 per cent, compared with 16.24 per cent.

After tax of £825.000 After tax of \$235,000 operating leases.

(\$304,000) earnings were given The original cost of the as 11.76p (\$.98p) per 5p share group's portfolio of leased comwhile the interim dividend is puter equipment had shown a computer leasing companies are prospective p/e of 11.

Comcap, supplier of IBM lifted from 0.6p to 0.75p.

net increase of £15m to £105m on texactly flavour of the month in the City, but Comcap has long interim pre-tax profits by 39 Comcap continued to be a truly £400,000 of profit had been had a reputation for conservative cent of June 30 1986. This cent of turnover and 60 per of the residual value of equipment in the portfolio during the derived from Demnark, France period, compared with £100,000 when they are realised. Comcap European company with 82 per derived from actual resistations cent of turnover and 60 per of the residual value of equipocent of profits before tax being ment in the portfolio during the derived from Denmark, France Germany, Rolland and Switzerland. The strengh of the European currencies in the period portfolio would realise an additional £170,000 of odditional £11m profit over the next total profit compared with the four to five years. on a merger basis of Aurit Germany, Holland and Switzer- last time. The directors Services, acquired on December land. The strengh of the Euro- anticipated that the current pean currencles in the period contributed £170,000 of edditional £11m profit over the next tional profit compared with the four to five years.

and the directors were confident of further progress for tic weakening of sterling to the ground street and develop- the confident of further progress for tic weakening of sterling to the ground street and develop- the confident of further progress for tic weakening of sterling to the ground street and develop- the confident of further progress for the ground street and develop- the confident of further progress for the ground street and develop- the confident of further progress for the ground street and develop- the confidence of the ground street and develop- the ground street and develop- the confidence of the ground street and develop- the ground street and ground street and develop- the ground street and ground stree of the year normally experi-enced a higher level of activity and the directors were confident of further progress for the full year. Profits for 1985 totalled £5.19m.

The mix of the group's computer business remained very satisfactory with 78 per cent of turnover being represented by cash generating full payout leases and outright sales. As a result the directors had been able to finance internally the major part of its investment in operating leases.

in asset based financing and property services and development; made steady progress of the computer industry and it is therefore developing its throughout the period, the chairman stated, white arrangements relating to the interest in a 4.9 acre property development site arrangements in the London Docklands Enterprise Zone, the Brunel Centre, were progressing well with a view to construction commencing by the end of November.

Comment

#### Clifford's moves ahead despite poor cream sales

Pro-tax profits of Clifford's Dairies, processor and distri-butor of milk, dairy products buter of milk, dairy products and groceries. rose from \$1.81m to £2.15m in the direct half of 1986 on turnover of \$44.63m compared with \$41.11m for the corresponding period of the previous year.

Earnings from liquid milk had been satisfactory, the directors stated, helped by the increase in retail prices in February. Most other areas of the business were performing above, or in line with expectations, but cream margins remained disappointing and the contribution from this product had been a this product had been a matter for concern.

matter for concern.

Sales of the new yoguribased complete meals for
simmers had begun somewhat slowly, but contribution
from fruit juice and fruit
drinks had been very good
and turnover and prafit of
Morton Foods, acquired in
March 1986, were well ahead
of budget
In May the company raised
\$5.6m through a rights issue
which was well received with
over 95 per cent taken up.
Initially the proceeds had
reduced borrowings and the
interest charge should be
correspondingly lower in the
second half year.

Operating profit for the

operating profit for the half year was £2.54m (£2.17m) with associated companies adding £83,000 (£59,000). Tax takes £826,900 (£812,000) and there is an extraordinary credit, after rax, of £25,000 (£116,000) representing profits on disposal of property.

Earnings per share increased to 10.5p (7.84p adjusted) and the interim dividend is raised from 2.5p to 3p per share.

Mr Jon Pasfield, who was the director responsible for Clifford's Dairy Products and Cool Country divisions, has

Cool Country divisions, has left the company in a reorganisation of major responsibilities within those businesses.

### Shaw loss slows Lamont profit growth

Comcap forecasts further growth

Lamont Holdings, Ulster's fil8,000 incurred by Shaw fast-growing textile manufacturing, property and engineer the end of April, 1986. Excluding group, raised pre-tax profits ing Shaw, the profit advance by 16 per cent from 21,000 to would have been 25 per cent.

\$\frac{21.8m}{21.8m}\$ for the first half of Sir Desmond Lorimer, the chairman, said the overall improvement could have been to \$\frac{27.08m}{21.8m}\$. The result included losses of better but for a difficult time both the short and long term were good.

\$\frac{18.62m}{21.8m}\$ profits. Stated first-half furnishing fabrics) caused by earnings per 10p share were disappointing spring sales of furnishing fabrics.

The introduction of a new sales and marketing structure, however, together with a strong incorporating coloured woven fabrics, was already having a favourable impact with an increased level of sales. Sir Desmond said prospects for both the short and long term were good.

both the short and long term were good.

He reported that the flow of losses at Shaw had been arrested and he looked forward to a satisfactory contribution from this source for the second half. The group'e overall carpet activities had been very buoyant and present order books reflected a keen interest in the company's new designs and ranges.

Incurred in connection with least property and was the subject of a claim which should result in its complete recovery. Other than this item, property had continued its steady continued to group profits.

Yarn production at William Ross had been maintained and the demand for the synthetic yearns of B. H. McCleery had continued at a high level with the resultant impact on profit.

the shares on an undemanding

However, the group is astute enough to realise that a spot of diversification would help

distance it from the tribulations

losses et Shaw had been arrested and he looked forward to a satisfactory contribution from this source for the second half. The group'e overall carpet activities had been very buoyant and present order books reflected a keen interest in the company's new designs and ranges.

Lemont continued to look for further sultable acquisitions to complement and expand its present activities.

Sir Desmond said the second half was already justifying the

Sir Desmond said the second half was already justifying the confidence expressed in his annual statement. Accordingly, the interim dividend is being in the development of software lifted 25 per cent from 1.2p to 1.5p net on increased capital—last year's total was 4.5p on materialise.

F&C Fil

### Ash & Lacy slowdown warning

Ash & Lacy, maker of perforated intent, steel cladding and, galvanizers, yesterday reported a 20 per cent rise in interim profits, but pointed out that with trade still very competitive, full year results would be around the same level as in

1985. On a reduced turnover of On a reduced turnover of £16.77m (£17.82m) pre-tax profits for the half year to June 27, 1986, rose from £1.19m to £1.42m. Estnings per 25p share were 2.3p higher et 17.9p and the interim dividend is stepped op from 10p to 11p—last year's final payment was 10.25p on £3.01m profits.

Mr Fane Vernon, the chairman, said yesterday that the group was again building up a strong cash position and this continued to provide funds for

continued to provide funds for

future investments.

In addition to its plans for organic growth in present activities, the group had decided to commit more of its financial resources to the expansion of its base by the acquisition of suitable companies. But Mr Vernon said that although this search was now proceeding, the process might take some time. He said the board was resolved to resume the growth that the group achieved throughout the recession, but which had been inhibited in

#### **Midland Marts** £0.3m in profit midway

Midland Marts Group, the USM quoted live et ock auctioneer and estate agency business in which Oyston Estate Agency has a controlling stake of some 51 per cent, yesterday, reported a pre-tax profit of £282,000 for the six months to

reported a pre-dar pront of £282,000 for the six months to August 1 1986.

This compared with a loss of £19,000 for the same period of 1985 and a profit of £352,000 in the second half of last year. The company said yesterday that the result mainly reflected an improved performance from the estate agency division.

In July, Oyston, the UK's largest privately owned estate agency business, announced an agreed £6.8m cash offer for Midland Marts. Last month, however, it sold a 39.6 per cent stake to Royal Life Holdings, a subsidiary of Royal Insurance.

Turnover for the half year rose from £2.06m to £2.5m and rose from £2.06m to £2.5m and earnings per 25p share were 4.8p (0.4p). There is however,

The interim figures showed a sharp increase in extraordinary charges from £57,000 to £347,000. These included £102,000 of expenses relating to £102,000 of expenses relating to the proposed acquisition of privately-owned estate agency. Beardsley Theobalds, and to extra expenses relating to the acquisition by Oyston of a majority holding. Also included was a provision against amounts arising on dis-

no interim dividend. Last year, an interim of 1.25p was followed by a 2.75p final.

against amounts arising on dis-posal of a subsidiary following the reconstruction of its debt arrangements.

Ash & Lacy Steel Products taken last year to eliminate was having to contend with a losses and generate cash by serious lack of demand and closing Flospan and concentrations industry, Mr Vernon explained production in one works.

#### **BOARD MEETINGS**

TODAY 

Costes Srothers
Delyn Packaging East Rand Gold and Uraniura.
Farrell Electronics
Hunter
Lee Cooper
Mikro Focus

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Ordinary shares of Citygrove PLC in the Unisted Securities Market it is emphasised that no application has been made for the shares to be admitted to listing. A proportion of the shares being placed may be available to the public through the market during market hours today.

This advertisement is issued in compliance with the requirements of the Council of The Stock Schange.

### YGROVE PLO

Citygrove is a specialist property developer with particular expertise in the development of out-of-town retail stores in the United Kingdom. Citygrove is currently engaged in the planning or construction of stores for many of the country's major retain groups. The Group also has a small property investment

> PLACING BY HILL SAMUEL & CO. LIMITED

OF 3,000,000 ORDINARY SHARES OF 10p EACH AT 100p PER SHARE

SHARE CAPITAL

Authorised

issued and to be

£1,000,000

Ordinary shares of 10p each

£690,286

Particulars regarding the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on weekdays (Saturdays excepted) up to and including 22nd October, 1986 from:

Hill Samuel & Co. Limited 100 Wood Street London EC2P 2A

Wood Mackenzie & Co. Limited Roman House Wood Street London EC2Y 5BP

8th October, 1986

The following certifical numbers of Deventures are to be released in whole for \$1,000 principal amount:

| The following certification numbers of Deventures are to be released in whole for \$1,000 principal amount:
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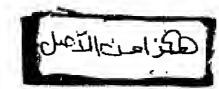
#### **Conversion Rights**

October 1, 1986

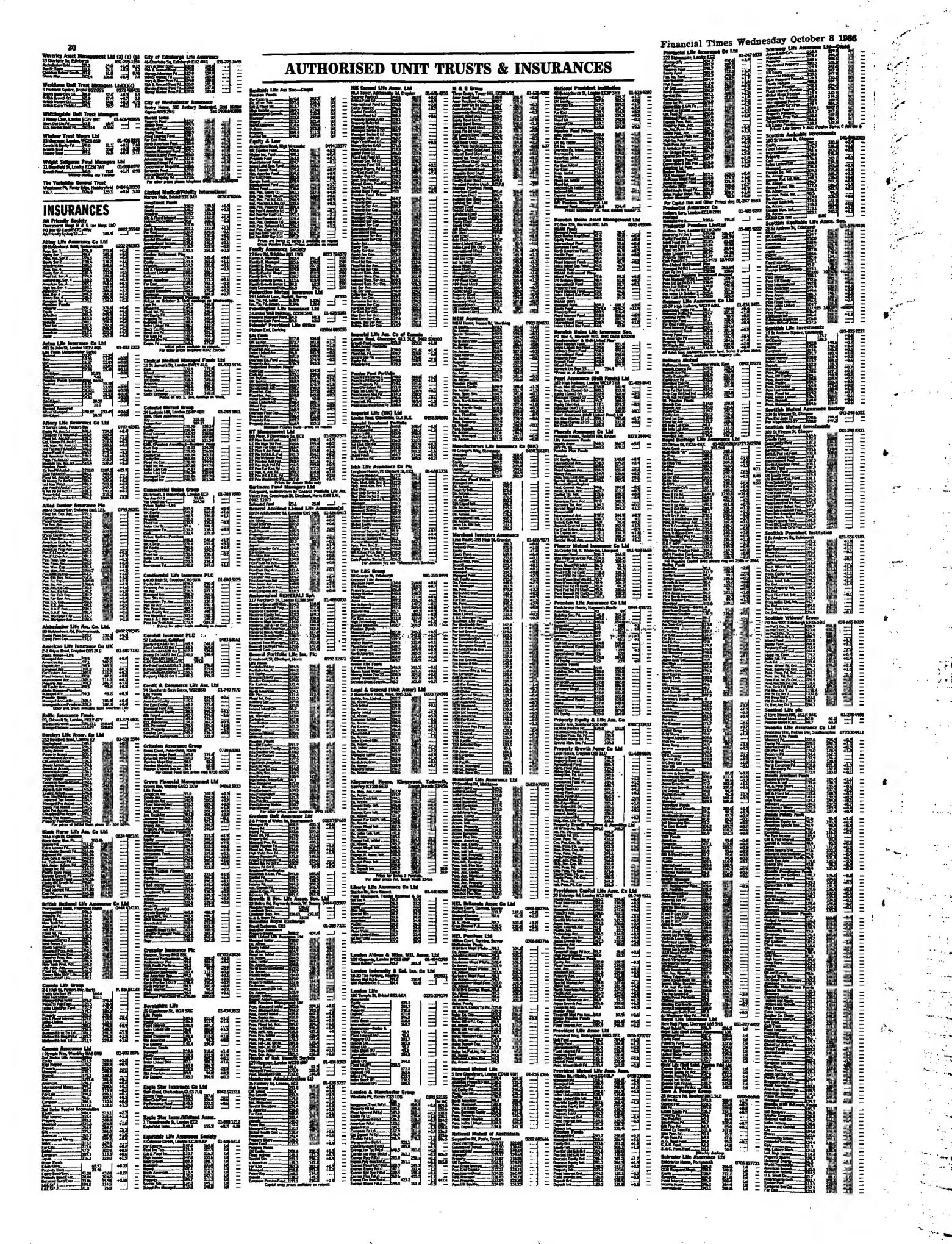
The Debentures are convertible into whole shares of Common Stock, par value \$1.00 per share of ITT Corporation ("Common Stock") through the close of business on November 1, 1986 at any of the above offices at the present adjusted conversion price of \$58.35. No fractional share of Common Stock will be issued upon conversion. Instead, a cash payment for each fractional share will be made on the basis of the 1st reported sale price of the Common Stock on the New York Stock Exchange on the day of conversion. Each \$1,000 Debenture is convertible into 17 shares of Common Stock. Based on the closing price of the Common Stock on September 24, 1986, of \$49 each \$1,000 Debenture would convert into \$833 worth of Common Stock.

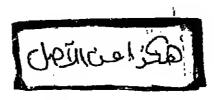
> International Standard Electric Corporation By: Bankers Trust Company, Trustee

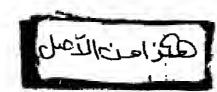
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Financial Times Wednesday October 8 1986			_
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### Bank governor welcomes LME reform plans

MR ROBIN Leigh-Pemberton, the Governor of the Bank of England, last night welcomed the reforms tha London Metal Exchange is planning to carry out to modernise its management and its trading rules. The exchange's decision to replace its principal-to-principal trading system with a clearing system (in which a clearing house acts as intermediary in trades) would "in time be seen as a most significant and positive step" in the development of the market, Mr Leigh-

Pemberton said.

Speaking to more than 1,000 guests at the LME's anual dinner, he commented indirectly on the LME's current negotiations with the Securities and Investments Board, the City regulatory hady, over the form the exchange's trading rules are to take.

weight to the SIB's arguments that the LME had to be included in the new regulatory incinded in the new regulatory framework proposed under the Government's Financial Services Bill and to the LME's pleas that positive features of its traditional market should not be lost.

Mr Leigh-Pemberton said:

"The application of the new regulatory structure to the LME does provide a challenge. Your market has developed with trading arrangements of a unique character. To mesh them in with the broader principles being lald down for the financial services



Mr Rohin Leigh-Pemberton, Governor of the Bank England (left) and Mr Jacques Lion, the LME chairman

industry as a whole will require firmness to go hand-in-hand with flexibility." Mr Leigh-Pemherton also commanted on the tin market crisis in which banks and metal brokers suffered heavy losses when the intergovernment International Tin Council defaulted last October. The default by the ITC—" which was after all a creature of governments"—was "extremely regrettable." he said.

regrettable," he said.

Mr Jacques Lion, LME
Board chairman told the dinner that it was no secret that
the Financial Services Bill was "The bill presents problems to us and lacks balance."

However, as e result of a

meeting on Friday attended by LME and SIB officials and by representatives of the Bank of England and the Department of Trade and Industry, the exchange was "well on the way to resolving many of the difficulties posed by the Financial Services Bill."

The exchange looked to the The exchange looked to the Government and the SIB to

Government and the SIB to belp it resolve the outstanding issues. "What we cannot accept is tha gratuitous dis-membering of the fundamental foundations on which our exchange stands and the trade which supports It," Mr Lion said.

Wa have a difficult but not

### Copper depression seen continuing

review of the industry.

The report says prices can be expected to stay in a narroy range of 55-70 US cents 6 lb un-til the end of 1988, unless there is 6 temporary squeeze in the market, Rallies over 70-75 cent a lb are likely to encourage heavy bedge selling from mining companies. Conversely, prices cannot stay below 60 cents 6 lb for long before prompting production cuts.

Shearson says the only posi-tive point is that low prices have led to the postponement of 6 number of new projects 50 that by 1989 mine capacity should staart falling. As a re-

Talks planned

on Tamb war'

flare up

By Stefan Wagstyl

is forecast to rise gently next year from 7.2m tonnes in 1986 to 7.3m tonnes, but it would still fall short of the 1984 peak of 7.6m tonnes, says Shearson. With new mines coming on stream in Mexico and Chile, increasing mine ontput will lead to an increase in stocks of concentrates. This should allow smelters to improve their

allow smelters to improve their terms in dealing with mines, reversing the trend of the early 1980s in which smelting charges were squeezed by Cost-cutting by producers has brought the most benefit not to mining and smelting companies but to their customers who

COPPER PRICES, which have been deprressed since 1982, are unlikely to strengthen before 1989 at the earlieest, says metal trader Shearson Lehman Brothers in its latest annual review of tha industry.

sult prices might rise early in the 1990s if capacity ntilisation prices, Shearson says thars is little chanca of a respite for producers. The falling US dollar bas meant that even is forecast to rise gently next year from 7.2m tonnes in 1986 are prices. Shearson says thars is little chanca of a respite for producers. The falling US dollar bas meant that even the prices might rise early in the 1990s if capacity ntilisation prices, Shearson says thars is little chanca of a respite for producers. The falling US dollar bas meant that even the prices of a respite for producers. The falling US dollar bas meant that even the prices of a respite for producers. The falling US dollar bas meant that even the prices of a respite for producers. The falling use the prices of a respite for producers are prices. Shearson says thars is little chanca of a respite for producers. The falling use the prices of the

competitive.
Chila's dominance of the industry should continue to grow with more low-cost mines coming into production. The US industry bas staged an "unexpected turnaround" cutunexpected turnaround cutting costs to stay in the market. The Canadian companies may bave to go through the same upbeaval — including tough negotiations with trade unions—to make similar savings, says Shearson.

Annual Review of the World Copper Industry, Shearson Lehman Brothers, Peninsular

### **Kharg Island attack** pushes up oil prices

THE CONTINUING tensions between the UK and France over British lamb exports to France are to be discussed today at a meeting in Paris.

Mr Robin Renwick, a senior Foreign official, intends to raise the issue with his French counterparts following an attack by French farmers on a consign-ment of British lamb earlier this

French farmers near Poitiers, in Central France, on Sunday night reportedly stopped a lorry night reportedly stopped a lorry carrying 45 lamh carcasses, burned a number and sprayed the rest with disinfectant to make them inedible. The Ministry of Agricultore said yesterday that it would not be taking action since the lamb belonged to a Franch importing commany. action since the lamb belonged to a French importing company.

This was the first attack this year ou a consignment of British lamb, but French farmers have previously stopped Dutch and Belgian lorries.

French farmers are trying to pressure on their govern-

THE BOOMING New York Mercantile Exchange, which has found greener pastures

with the likes of crude oil and platinum of late, re-

cently announced (with un-

characteristic coyness) that It will pull the plug on potato

futures at the expiration of the May 1987 contract.

by few: average daily volume was just 61 contracts between

January and May 1986. But it represents another blow

for the agricultural futures fraternity, which has watched its once-dominant market

share fall far behind the

financial futures sector in re-

For another seven or eight months, the 10 remaining potato traders will gather

defiantly but desultorily in

the shadow of the vibrant crude oil futures pit to pre-

side over the contract's death throes. A bank of TV monitor

screens is arrayed impressively behind them. But these,

REPORTS THAT an Iraqi attack on Iran's main Kharg yesterday by reports that the Island oil terminal has halted loading operations pushed oil prices up by about 50 cents yesterday.

In New York the price of West Texas Intermediate was by lunchtime up 53 cents at \$15.35, while in London Brent crude for November delivery rose by about 40c to \$14.75.

While the extent of the damage was not clear, industry sources said yesterday that exports for the terminal could be gasoline contracts was very aources said yesterday that exports for the terminal could be stopped altogether for two or feeble, with only 6 lots traded three days, and that repairs could take several weeks.

to a quiet start. Trading in the possible trade of gasoline contracts was very feeble, with only 6 lots traded all day, while in the heavy fuel of 76 lots changed hands.

#### Canada's wheat sales halted BY BERNARD SIMON IN TORONTO

THE Canadian Wheat Board tonnes by next week. The offihas stopped taking short-term call said that "we wouldn't be orders for grain exported through West Coast ports in at this time for immediate shipthe wake of a labour dispute which has crippled the Vancouver and Prince Rupert grain exports are channelled through the headinging.

open", one potato trader teld me while a sea of flailing

arms traded oil a few steps away. "We've been trying to

ment to put a temporary ban on terminals since the beginning of this week.

A When the process in the French market. imports to alleviate a fall in prices in the French market. The Foreign Office said yesterday that Mr Renwick would he seeking to persuade France that French and EEC law must he upheld to stop the ettiscks on imports. He would be looking for "sction not assurances."

of this week.

A Whest Board official said in West Coast include some of the country's most important customers, such as Japan, China and the Soviet Union. Canada is the werld's second to biggest wheat exporter, tonnes of grain onto five vessels.

The backlog will reacb 500,000 of total trade.

#### **Titanium** exploration concession

awarded By Jim Jones in Johannesburg

THE MOZAMBICAN Govern-ment has awarded Ediow Resources (ER) of Washington a 27-year concession to explore and exploit titanium-bearing each sands along 200 kilo metres of coastline centred on the small port of Pabane. ER will start an initial recon-naisance for ilmenite and rutile, the two principal titanium minerals, in January next year as a preliminary to full-scale prospecting in 1988.

The agreement with Edlow is made with a western mining company since the country's independence from Portugal 11 years ago. At independence, coal mining operations managed by Anglo American, the South by Anglo American, the South African mining group, at Moatize near the town of Tete were turned over to East German managers and, at the same time, large exploration concessions granted to South African mining bouse JCI were Arrican mining bodse JCI were rescinded. Since then, western mining firms have avoided Mozamblque, although Lonrbo has considered several mineral nas considered several mineral ventures and E. C. Meikle, a Zimbabwean, started mining bauxite on a small scale in Manica provinca late last year. At present the Government in Mapnto is trying to interest Italian and Yugoslav minerals firms in titanium beach sands

According to reports from Washington, the US Stata Department has encouraged the Ediow agreement as part of its policy of wooing Maputo away from the Soviet bloc. Ediow plans to spend about \$20m on exploring and developing its concession, though Mr Sam Edlow, tha company's president, has said in Washington that staff will not be sent to the area if they risk being attacked by tha insurgent Mozambique National Resistance (MNR).

GRIQUALAND Exploration and Finance (Gefco), the world's principal producer of blue asbestos (crocidolite) and amosite asbestos, is to cut production by one-fifth to one-quarter and retrench 916 employees at its South Africanmines during the next few weeks, The company does not disclose production volumes, but says that cut-backs are necessary to reduce stocks in the GRIQUALAND Exploration sary to reduce stocks in the

Production is to be cut by 20 per cent at 8 number of crocidolite mines in the Northern Cape district of Kuruman and by 26 per cent at the company's amosite mine near the Transportations of Person the Transvaal town of Penge. World demand for crockdolite has been particularly poor in recent years because of bealth

#### **WEEKLY METALS**

All prices as supplied by Metal Bulletin: ANTIMONY: European free market. 99.6 per cent, \$ per tonne, in warehouse, 2,480

BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2.40-2.50.

CADMIUM: European free market, min. 99.95 per cent, \$ per lb, in warehouse, ingots, 1.00-1.03, sticks, 1.00-1.03.

COBALT: European free market, 99.5 per cent, \$ per lb.

market, min. 99.59 per cent, sper lb, market, min. 99.59 per cent, s per flask, in warebouse, 125-150.

MOLBDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in ware

dic oxide, \$ per lb Mo, in ware-house, 3.15-3.20.

SELENIUM: European free market, min. 99.5 per cent. \$ per lb. in warehouse, 5.25-5.50. TUNGSTEN ORE: European free market, standard min. 65 per cent. \$ per tonne unit, WO, cif. 32-43.

VANADIUM: European free market, min. 98 per cent V<sub>2</sub>O., other sources, \$ per lb V<sub>2</sub>O., cif. 2.47-2.54.

URANIUM: Nuexco exchange value \$ per lb U 0. 17 00.

It was hardly an overnight success: 1945 turnover was a mere 80 contracts. But the "A lot of us would like to

trade platinum a lot recently," he added, perhaps todicating what the future holds in store. Ironically, with the contract's fate now scaled, potatoes have been enjoying a bull run. New York futures

prices are at contract highs and business is brisk 3,000 mlles away on the London Potato Fntures Market where July aggregate volume was the highest ever. It is a sad end for a con-tract which began trading on the 114 year old exchange-

formerly known as The Butter and Cheese Exchange of New

York—one week before the December 1941 attack on

end of the war brought potato futures to life and almost 16,000 contracts were traded the following year. By 1964, the corresponding total had risen to 405,000. As recently as 1975, potato futures were still the back-

bone of Nymex, accounting for 70-80 per cent of annual exchange volume. Current exchange chairman, Mr Michael Marks, began his trading career in the potato pit in 1973.

But the rot set in chruptly with the great potato futures default of May 1976. High prices in Europe, which was facing a serious shortage, had been luring potatoes across the Atlantic at an unprecedented rate, depleting US stocks. This meant that when the time came for those who had sold short to buy in to meet their obligations, they found that

supplies were extremely scarce—the more to since only potatoes grown in Maine (responsible for just 12 per cent of the US crop) and sent by rail to New York, were eligible for delivery.

The upshot, in June 1976, was a total of 997 unsold contracts and a serious crisis.

contracts and a serious crisis of confidence on the exchange. The exchange, which eventually recovered from the setback, instituted various changes in a bid to revive the guited contract. First, the specification was widened to include potatoes from other locations delivered by any means. Then, in 1983, potato futures became the first cash settled agricultural futures contract, eradicating the delivery headache once and for all. Finally, the lot contracts and a serious crisis and for all. Finally, the lot size was reduced to 50,000 lb. But it was all to no avail. The exchange's young Turks had found other more lucrative toys to play with and demonstrated little desire to return to their roots.

### LONDON

**MARKETS** 

THE RALLY in coffee values

following the recent sharp following the recent sharp fall was fully maintained yesterday when the January futures position registered a £75 rise for the second successive trading session. Talk of Brazilian buying to cover its own drought-induced crop shortfall encouraged the rise, which was trimmed back a shortfall encouraged the rise, which was trimmed back a little towards the close by profit-taking. On the cocon market meanwhile prices continued to drift lower. The March position added £21.50 to Monday's £9 fall reflecting a lower New York market, lack of physical offtake, and what dealers described as "a less constructive chart picture." Unconfirmed rumours of Ivory Coast selling also encouraged the decline. On the Loudon Metal Exchange prices generally moved narrowly with copper, lead and

LME prices supplied by Amalgamated Metal Trading.

rowly with copper, lead and aluminium posting small rises and zinc and nickel prices

ending lower.

	closs (p	al + or m.) — r tonne	High/Low
Cash 5 months	802-4 815-4	+5.5  +5	813/810
setlement	803 (802	(are): Co anthe 812. 25). Final	ah 802.5-3 5-3 (807-8): Karb Close:

COPPE	R		
Orado A	Unoffic'l close	+0	High/Low
Cash 5 months	924-5 946-7	+1.0 +1.76	926.5:926 982/946
(922.5-3):	three settlement	months 926	
Standard Cash 5 menths	898-900 981-3	1 -0.5	=

Official cleaning (am): Cash 901-1.5 (899-900); three months 925-5.5 (922-2.5); seriement 901.5 (900). Us Producer prices 92.5/65.250 cents per pound. Total tumover; 27025 tonnes.

		close (p		High/Lo
I	Cash 5 months	281-2 284-5	+ 9.25 + 0.75	281/280. 286/282
	(279-9.5): 2.6): se Kerb Clo	three ttlement se: 285,	months 2 281 (2 5-6, Turn	ash 280.76 83.5-4 (28 79.5). Fin nover: 156 i ceets p

	Unofficial + or close (p.m.) — £ per tonge	High/Low
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-	grade	e lose (5 £ p	.m.) — or tonne	High	/Low
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eri	(630.5-1; 1 sotioment 618-9. To		101s 51S.1 1). Final 3750 1	5-20 (62	

Oold tell just \$1/2 an ounce tram Menday's close in the Loadon buillon market yestardey to Snish et \$437-438. The motal opened at \$440-441 end traded between a high of \$4437-445 and a low of \$432-445. Good demand early in the day generated renewed buying up to the day's high but dollar mangth efter central bank intervention tended to erode the day's gaine. OOLD BULLION (fine ounce) Oct. 7

Close ...... \$437 458 Opening... \$440.441 M'n'g fix... \$448.50 Aft'n'n fix \$456.50

GOLD AND PLATIN	UM COINS
Krg'r'nd 8448-444 la Krug 83501a-2611a la Krug 81371a-1181a 1/18 Krug 8471a-481a Mapie leaf 8449-403 Angel 9444-448 1/18 Angel 9444-611a New Sov 8106-107 Old Sov 8106-1061a 820 Engle 2490-540 Noble Plat 86181a-685	(£3081 <sub>4</sub> -310) (£161-151 <sup>3</sup> <sub>4</sub> ) (£613-1821 <sub>6</sub> ) (£351-33 <sup>3</sup> <sub>4</sub> ) (£3151 <sub>4</sub> -351) (£310-312 <sup>3</sup> <sub>4</sub> ) (£316-312 <sup>3</sup> <sub>4</sub> ) (£761-743 <sub>6</sub> ) (£761-744 <sub>6</sub> ) (£342-357) (£428-4361 <sub>4</sub> )
CHAPP	

French and EEC law must he upheld to stop the ettacks on imports. He would be 150king for "action not assurances."

Scheduled loading of 150,000 tonnes of grain onto five vessels. The backlog will reach 500,000 of total trade.

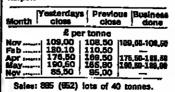
The backlog will reach 500,000 of total tr Spot ...... 598.35p -1.40 395p 3 months 408.80p -1.55 405p 5 months 410.555 -1.49 12 months 440.05p -1.89

LME-Turnover: 16 (77) lots of 10,000 cz. Thme months high/low 401p, final kerb 404-8p.

MEAT COMMISSION — Averago fat-stock grices at more antitive markets. GB—Cattle 52,20p per kg lw (+1.56). GB—Sheep 128.10p per kg est dcw (+6.29). GB—Pigs 77.34p per kg lw (-0.00).

#### **POTATOES**

Keen buying on the opening in thin trade pushed velues £4.00 higher by bid-moming in April. Further interest during a nervous eltermoon left prices en the day's highe, reports Coley and



INDICES Oct. 6 Oct. 3 M th ago Year ago 1565,0,1565,1 1475,0 1 1699,1 **DOW JONES** 

Dow ! Oct | Oct | M'th | Year Jones 2 | 3 | ago | ago Spot 122,41 122,89, - |114,76 Fut ,123,01 122,58, - |117,09

#### MAIN PRICE CHANGES In tonnés unless otherwise statud.

Auminium Free Market	81255/275		\$1525/545
CopperCash Orade A			S907.75
5 mths	£946.5	+1.75	£927.25
Gold Troy oz Lead Cash		-0.5 +8.25	8412 £271.5
5 mths	£284,5	+0.76	£274.75
Free Mikt	187/187c		170/198c
Paliadium oz Platinem oz	6141.50	<b>—</b> 8	8137,50
Quicksilvert	6140/100		6125:135
Silver troy oz	408,80p	0.40 0.55	380,90p 390,10p
Tin	1		£8715/80
Tungsten	\$50,08		\$52.73
Wolfram 22.06	2627	-2.0	\$86,45 £576,0
5 mths	£617.25	-2.25	£521,5 \$840/888
OILS	19520		50 10/500
	3290w	<u></u>	2225
Palm Malayan	\$950v	+8.0	
Conce (DLID	giba "		#1EE

Sales: 3,836 (1,404) lots of 10 tonnes. ICCO indicator prices (US conte per pound). Only price for October 7: 94.91 (96.95); five-day everage for October 8: 95.83 (95.95).

COFF	EE		
Further to took levels market only reports Dra a quiet op difficulty eatlers. fresh pows svereges of little difficu	y finding xel Burnhan ening tract in "astract With the from Braz losing up, ity closing	light  I Lare  Lar	resist bert, ing I ny I awa ncer narket ie hig
COFFEE	Yesterday close	+ 01	Busi Do

Prices eacad early an but found good commercial and consumer buy-ing at the lower levels despite further weakness in Chicago, taports Muir-

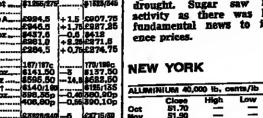
### GRAINS

WHEAT

Susiness done-Whest Nov 108.95-

#### **US MARKETS**

FOLLOWING a choppy session the precious metals closed on the highs of the day, as the markets were surported by inflationary fears which were spurred by firming oil prices, reports Heinold. Traders were eagerly awaiting news from the Opec ministerial meeting in Geneva and sentiment leaned towards and sentiment leaned towards higher oil prices. Coffee futures made sharp gains as the market became concerned over the dry weather in



### COCOA

Selea: 5,992 (5,133) fots of 5 tonnea. 1CD Indicator prices (US cents per pound) for October 5: Como delly 1978 172.18 (168.05): 18-day sverage 179.89 (190.27)

### SOYABEAN MEAL

October | 154,5-155,0 | -0,55 | -1,52,5 | -0,50 | 152,5-155,0 | -0,50 | 153,5 | -0,50 | 153,5 | -0,50 | 153,5 | -0,50 | 153,5 | -0,50 | 155,5 | -0,50 | 155,5 | -0,50 | -0,50 | 155,5 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50 | -0,50

Sales: 290 (225) lots of 20 tonnes.

# Wheet eased on carly merchant sall-ing before Sading commission house support end this kept values firm throughout the day. Barley found modest shipper to chipper trade craund unchanged levels, Reports T. G. Reddich.

Math close - Cicee - Or Cicee Nov.... 106.50 +0.45 108.40 + 109.09 +0.25 110.25 + 111.40 +0.25 110.25 + 111.40 +0.25 110.25 + 111.40 +0.25 110.55 + 111.40 +0.25 110.55 + 111.40 +0.25 110.55 + 111.40 +0.25 110.55 + 111.40 +0.25 110.55 + 111.40 +0.25 110.55 + 111.40 +0.25 110.35 + 111.40 +0.25 110.35 + 111.40 +0.25 110.35 + 111.40 +0.25 +0.25 + 111.40 +0.25

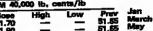
Business done—Wheet: Nov 106.958.40, Jan 106.15-8.55, Mer 111.50-1.00, May 113.75-3.25, July 115.50-5.40, Sept and Nov untmaded. Sales: 247 Ints of 100 tonnes. Bertey: Nov 108.50-8.10, Jan 110.25-10.10. Mer 112.35-2.25, May 113.55, Sept and Nov untraded. Bales: 100 lots of 100 tennes.
LONDON—Whest: US dark nerthem spring No 1 15 per cent, Oct 99.00. Nov 100.50, Oct 101.50. US No 2 soft red winter Oct 101.25, Nov 103.25, Dec 104.50. Franch 119-12 per cent Oct 132.50. English feed tob Oct 110.50-111.50 beyer/sellor. Nov 112.00, Oct 132.50. English feed tob Oct 110.50-111.50 beyer/sellor. Nov 112.00, Oct 132.50. English feed tob Oct 101.50-111.50 beyer/sellor. Nov 112.00, Oct 132.50. English feed tob Oct 148.50. Bartey: English feed fob 113.50 veluation, Nov 114.00. 114.50 buyer/sellor. Oct 146.50. Eartey: English feed fob 113.50 veluation, Nov 114.00. 114.50 buyer/sellor. HGCA—Locational ex-ferm opot prices. Feed barley: 6. Eart 107.10, 2. West 105.70, W. Mids 105.60. N. West 105.00. The UK Monstery oc-efficient for the week beginning Monday October 15 (based on HGCA calculations using five days axchango ratas) is sepected to change to 1.253,

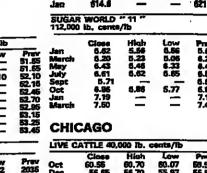
RUBBER

PHYSICALS — The London market opened elightly steedler, attracted covering interest throughout the day and clased on e quietly steedler, proceedings interest throughout the day and clased on e quietly steedly note, mports Lewis and Past. Closing Brices (buyem): Spot 56.00p (sams): Nov 64.75p (54.50p): Occ 54.75p (54.50p): RJTLMES—Index 654, Nov 646-656, Dec 648-658, Jan/March 656-658, April/June 687-675, July/Sept 668-680. Sales: NIII.

JUTE-July/August 1996 c and f Jundes BTD \$350, 6WC \$350, BTD







Dec March May July Sept Dec March

45.80 46.44 41.20 47.62 48.00 49.50 49.57 49.75

Oct 147.3 148.0 146.5 14
Dec 148.5 149.1 147.6 14
Jan 149.7 150.1 149.0 14
Jan 149.7 150.1 149.0 14
Jan 149.7 150.1 149.0 14
Jan 151.3 151.5 150.3 15
May 152.3 152.8 151.5 15
July 153.5 153.7 152.3 15
July 153.5 154.5 152.5 15
Sept 154.5 154.5 153.0 15
SOYABEAN OIL 60,000 ib, cents/ib

Pre-0 439.0 441.0 442.8 446.5 449.8 453.4 W/HEAT 8.000 by min,

HEATING OIL 42,000 US gallons, cents/US gasons Latest 42,70 44,10 48,10 46,75 44,80 42,85 41,90 40,80 41,50 42,50 High Low 43.00 42.25 44.55 43.80 45.50 44.80 46.25 45.60 46.10 44.30 43.50 42.86 42.40 41.45 Nov Dec an Feb Merch April May June July Aug SPOT PRICES—Chicago lonse lard 16.00 (same) cems por pound. Hendy end Harmen silver bullion 571.5 (576.5) cents per troy suncs.

41.80 41.50

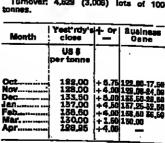
45.70 46.25 47.06 47.50 48.20 49.00 49.76

CRUDE OIL (LIGHT) 42,000 US gallons, 5

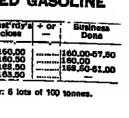
Spot crude prices gained 50c a barrel on reports of demags to one of the two temaining letties at Knarg Island, supported by bullish indications from Opec delegates. Most trade was in forward Stant with December cargoes trading sround \$15 st the class. November WTI opened 20c up on Nymax and traded 52c up at 1.30 pm EDT. In the patroleum Broducts market gas/all and forward naghths rose sharply over the day on the midmeming news of the Kharg Island strack. Gaseline remained gulet and stack. Geseline remained gulet and stable, though talked e little firmer. Fusi of weakened due to lack of enduser instreas—Patrolaum Argus, London.

CRUDE Off.—FOB (\$ per barrel)—Oct. 

GAS OIL FUTURES



LEADED GASOLINE



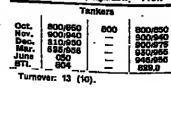
\$310, BWD \$310; c and f Antwerp HEAVY FUEL OIL \$300, 8WC \$330, 6WD \$300, BTD U5 \$ 175,50 176,85 178,25 180,25 175,50-71.00

SUGAR LONDON DAILY PRICE—Rew augur \$123.50 (236.00), up \$2.00 (up £2.00) a tonne for October-Nevember delivery. White augur \$176.00, up \$2.50.

International Sugar Agraement—(US cents per pound fob and stowed Caribbean ports.) Prices for October & Oally orice 4.84 (4.78); 15-day swemge 4.71 (same).

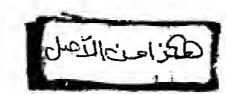
FREIGHT FUTURES | Close | High/Low | Prev.

Turnover: 99 (215). Close | High/Low Prev.



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Financial Times Wednesday October 8 1986 **CURRENCIES, MONEY & CAPITAL MARKETS** A FINANCIAL TIMES SURVEY FOREIGN EXCHANGES FINANCIAL FUTURES Banks act to support dollar Gilts firm but erratic THE DOLLAR rose sharply using but failed to attract any follow through demand as the market paster concerted support low through demand as the market bus mit had opened allow of DM expected UK money supply and added to the pace of the dollars, followed by several other central business appeared to have very little changed on the day. News lowed by several other central business including those in Switzer-land, Belgium and Denmark. The compared with DM2.8625 and market by surprise and led to one curve of the intervention took the market by surprise and led to one or two burnt fingers as speculations.

Timing of the intervention market against the French intervention as traders sought to cover short positions. Intervention by Switzer-land, Belgium and Delmark. The compared with DM2.8625 and market by surprise and led to one or two burnt fingers as speculations.

Timing of the intervention market by surprise and led to one or two burnt fingers as speculations. GHLT PRICES were firmer in the London International Financial ill-16 before coming back a little for the transfer yesterday but to finish at 110-25.

Earlier in the day it had opened highs, kinch of the erratic trading at 119-16 and was sold down to 110-push the price down to 89-22 followed the release of UK money of in the first few miantes as stering ply figures which over the past ling slipped to a record trading week had been assuming greater importance than usual. A rise in This created a slight bear squeeze importance than usual. A rise in This created a slight bear squeeze opened at 96-28 down from 97-04 below most market predictions and served to reduce tension surrounding the authorities' attempts to keep base rates at 10 per cent. The December contract moved up from 111-04 to 111-12 on the figures and then fluctuated between 111-04 and 111-15 before the announcement. The property figures tended to promit in the figures and then fluctuated between 111-04 and 111-15 before cent. Three-month sterling deposits the account front, values slid beach to 96-11 before closing at 96-11 before c **CHANNEL ISLANDS** market by surprise and led to one or two burnt fingers as speculators hastened to cover short postions.

Timing of the intervention appeared to be well indeed with the dollar slowly easing beforehand in relatively thin trading without any fresh economic data to reinforce its bearish trend. The Bundesbank once again abowed its sensitivity to the dollar falling below DM 19850 and after the market hanks were intervening, the rate quickly rose to DM 19850 and after the rate quickly rose to DM 19850 in Frankfur yesterday before moving above DM 200 later in the morning.

During the afternoon some of the earlier gains were eroded as New York entered the market but the US unit still managed to finish higher at DM 2,000 from DM 1,980 and X154.10 compared with the sellar proposal central banks promoted a sharp dollar weaker for a time.

\*\*EMS EUROPEAN CURRENCY UNIT PAINS AND LIGHT PAINS.\*\*

\*\*Indeed with DM 2,000 from DM 1,980 to the central banks promoted a sharp dollar weaker for a time.

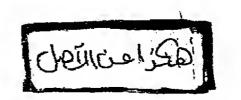
\*\*Indeed with DM 2,000 from DM 1,980 to the central banks promoted a sharp dollar weaker for a time. The Financial Times proposes to publish a survey on the above on:--WEDNESDAY 17th, DECEMBER 18 before moving above DM 2.00 later in the moving.

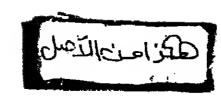
During the afternoon some of the earlier gains were eroded as New York entered the market but the US unit still managed to finish higher at DM 2.0005 from DM 1.0900 and Y154.10 compared with Y154.05. Elsewhere it rose to SFr 1.6290 from SFr 1.6200 and FFr 6.55 from FFr 6.25. On Bank of England figures, the dollar's exchange rate index rose from 109.2 to 108.5. 1986 EMS EUROPEAN CURRENCY UNIT RATES Topics to be discussed include:— Sharquase Bank, % ± 1.5968 ± 1.1405 ± 1.1127 ± 1.3669 ± 1.5059 ± 1.5663 ± 4.0734 500 619 619 619 619 645 1287 17.67 The Economy The Finance Industry 109.2 to 109.5.

STERLING—Trading range against the dellar in 1906 is 1.5505 to 1.2700. September average LATIL Exchange rate index closed at 68.1 after a record low at the opening of 67.5 and compared with 42.5 to 68.6 m Menday. The six menths age figure was 76.7.

Sterling benefited from the dollar's firmer trend during the mor-Company Law Insurance Industry **Population Policy Tourism Medical Care** Distribution **Property** POUND SPOT-FORWARD AGAINST THE POUND Horticulture The Lottery Communications Sark Dec. 0.20 0.65 1.90 4.35 8.10 12.50 17.30 For a full editorial synopsis and details of avallable advertisement positions, please contact:--**BRIAN HERON on 061-834 9381** LONDON CHICAGO STERLING INDEX or write to him at: Latest Previous Queen's House, Queen Street, Manchester, M2 5HT. Telex: 666813 DOLLAR SPOT-FORWARD AGAINST THE DOLLAR CURRENCY RATES 0.55-0.55; pm 4.57 1.73-1.85 pm 0.70-0.40; pm 5.43 2.39-2.00 pm 0.25-0.29; dn -2.39 0.85-0.70 dn 0.13-0.09; pm 1.44 life dn -1.44 1.45-2.55 mr dn -2.39 0.71-0.46 pm 1.52 0.71 1.4529.1.4339 1.3605.1.3615 1.3860-1.3870 2.2985.2.2605 41.40-41.50 7.53%-7.54%, 2.0000-2.0010 7.465.145%, 1.23.5-152.35 1.23.5-152.35 1.23.5-152.35 7.35%-7.34%, 6.54%-6.53%, 1.4515-1.095 1.395-1.3711 1.390-1.3872 2.340-2.285 41.21-41.78 7.46-7.59<sub>2</sub> 1.965-2.035 1.46-1.474 331.36-1.83.5 **FINANCIAL TIMES** 476 428 -259 -159 -322 -159 -159 -539 -539 | Columbia 0.722998 1.03778 1.43961 14.6763 43.2624 7.85857 2.06575 2.35762 6.63117 3.442.77 EUROPE'S BUSINESS NEWSPAPER 186.79 8.91027 161.4429 M/A N/A 163.9900 0.89463 160.129 7.63597 138.024 7.141.47 1.70164 140.182 0.765605 4.40-5.00de 0.40-4.35pm 1,00-1.14th 0.80-4.75pm -3. iv . 230:m London & Scottish banks' balances FT-0E 300 INDEX 525 per fell lades point Dec. 342.05 163.00 141.00 Prev. 342.05 143.00 144.50 145.00 144.0 as at September 17 1986 **EURO-CURRENCY INTEREST RATES CURRENCY MOVEMENTS** MONTH ENROCALLAR THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensiv bushing and meany supply figures published later by the Bank of England. They are prepared by the committee of London and Scottia bushers and cover the business of their offices and their subsidiaries which are listed by the Bank of England as falling within the memetary sector. Clase High low C. 94.22 94.25 94.20 94.27 94.27 94.27 94.17 94.11 100 TABLE L . GERGATE BALANCES LIABILITIES IARILATION terling deposits: UK monetary sector... UK private sector... UK public sector... 24,520 89,757 2,892 13,515 8,963 + 561 + 847 - 43 - 252 - 146 Long-term Enradollure: Two years 69-64, per cost; three years 7-74, per cost; four years 79-74, per cost; four years 74-8 per cost involved. Short-term rates are cold for US Dollars and Japanese Year others, two stays notice.

EXCHANGE CROSS RATES Storgzo Guaranty changes: everage 1960-1962-100. Shok of England Index (Base awage 1976-100). EAVY FUEL OF + 252 + 153 + 660 of which: Sight Time (Inc. CDs) OTHER CURRENCIES CURRENCY FUTURES oreign currency dopo UK monetary sector... Out? & S DM YEN F.Pr. S.Fr. H.FL. Line CS S.Fr. 18,955 7,322 45,651 5,566 +2,360 + 95 +1,983 + 23 See 1-00, 3-00, 6-00, 15-00, 1425 14271 14155 13995 13705 Other UK resident Oversens resident Certificates of des 6 1 1.03 2.865 220.8 9.865 2.331 3.286 1361 1.366 59.40 5 0.698 1 2.001 154.1 6.530 1.629 2.860 1385 1.386 41.45 92,936 267 5,962 UK private sector. UK public sector. Oversons resident MM-67ERLING % per f Lanct High Lev Prev 14240 14245 14210 14255 14065 14065 14055 14065 13965 13965 13960 13965 13960 13960 13776 13790 6.489 12.98 +3.586 90,106 13,750 Other sterling assets 1327 3054 2353 10 2.486 3.651 2331 2337 6332 0434 1228 9464 4025 1 1388 9493 0.851 25.67 216,185 922 38,242 Total deposity....... Notes in circulation ... Other liabilities\* ..... +4,443 Pereign currencies
Hariot leans:
UK monetary seets
Certificates of depo H FL 0.309 0.442 0.505 68.19 2.846 0.720 1 611.9 0.613 18.35 Lin 0.505 0.725 1.446 1111.4 4.736 1.177 1.634 1000 1.002 25.50 LIFFE - 671031.3100 625,860 \$ per 8 + 468 18,079 547 36,738 | Cinco High Law Previous | 1490 | 1484 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 1485 | 14 TOTAL LIABILITIES +4,916 +1,273 C \$ 0.504 0.722 1.403 111.2 4.724 1.174 1.636 977.5 B Pr. 1.664 2.612 4.623 377.4 15.80 3.767 5.650 3335 Yes per 1,000: French Fr per 10: Lira per 1,000: Beig Fr per 100. Advances: UK private sector UK public sector. 6,907 883 17,884 Cash ratio deposits MONEY RATES + 342 **MONEY MARKETS** | Trabetty Bills and Bonds | 4.87 | Three year | 4.97 | February | 5.22 | February | 5.30 | Seven year | 5.57 | 15) year | 6.14 | 30 year | Other foreign currency assets UK rates decline on TOTAL ASSETS 255,349 +4,916 - 242 + 616 5,218 102,852 money figures \* Includes Items in suspense and in transit. One Month 430420 TABLE 2. INDIVIDUAL GROUP BALANCES INTEREST RATES were marked forecast was revised to a shortage (1.58 greeps 2m 138,740 down amid renewed activity on better than expected UK money gave assistance in the morning of supply figures. M3 showed a 1½-2136m through outright purchases 1½ per cent rise while bank lending was up just 2900m. However the puphoria was rather short-lived as the mast experienced at 1½ per cent, £71 in band 3 at 1½ per cent, £71 in ba 5,940 +104 LIABILITIES OUTSTANDING 23,964 -204 5m 8,996 +15 23,971 -380 terling deposits .... Change on month 1,122 +93 Foreign currency deposits Change on month 15,011 +104 11,462 +1,072 22,861 +1,162 3,666 +265 8,718 +244 FT LONDON INTERBANK FIXING the euphoria was rather short-lived as the market concentrated ones more on fundamentals. Three-mouth interbank money 9% per cent and £55m in band 4 at 9½ per cent. Additional assistance was given 7,872 39,226 +326 (11.00 a.m., Oct. 7) 3 ments U.S. dellers 216.185 48,105 35,426 +869 11,764 +229 62.461 in the afternoon of \$120m through outright purchases of £20m of eligible bank bills in band 1 at 9% The finding mass are the arthurstic masses, remarked to the entered ope-claiments of the hid and affected mass for Silder spaced by the market to the reference banks at 11,00 a.m. each working fay. The heals are findhood Westmissian Bank, Bank of Tolgo, Dantsche Bank, Banque Hestonië de Paris and Mongale Generally 77sts. STERLING ASSETS OUTSTANDING Cush and belon UK clearing bank base 575 +17 lending rate 18 per cent since May 22 per cent 580m in band 2 at 31 per cent and 540m in band 4 at 31 per cent. Late assistance came to 28,547 +1,174 4,347 -382 11,292 +1,924 Market leant-UK memetery such 6,606 +541 LONDON MONEY RATES was quoted at 10%-10% per cent at 1,223 +1 8,168 -183 1,509 -2, £140m, making a total of £456m.
In Frankfurt the Bundesbank
announced allocations of DM one point having been up to 10%-10% per cent earlier in the day. It Change on month ; 10% per cent earlier in the day. It was quoted later in the day at 10%-10% per cent still down from 10%-10% per cent on Monday. Overnight money opened at 3%-3% per cent and touched a high of 13 per cent with the Bank giving less help than the published forecast. 1,235 +253 1,160 +382 553 +142 10%-10å
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10 772 105-10,\* 309-30,8 304-71 St-13 9-92 8.0bn for its latest two tranche sale and repurchase facility. This failed to offset the draining today of DM 14.8bn as two previous last satisfaction by the gareements mature. However banks were well placed to meet their end of month minimum reserve requirements and dealers out that some funds would be finding their way into the system as a result of the Bundeshank's continued action to month 912-97, per cent. 8.0bn for its latest two tranche 24.4% 4,078 British Government stocks 842 -26 223 16,822 +236 17,746 +226 39,106 +760 5,172 +68 Advances 24,138 25,685 Change of the Foreign Currency Assets Outstanding The Bank of England forecast a shortage of around £400m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £247m and together draining £247m and together transactions a further £200m. These were partly offset by a fall is the sote circulation of £40m and banks halances brought forward £15m above target. The Market loans and bills Change on month.... The Bank of England forecast a 55 SR3 9,527 +1,237 2,650 +266 465 +55 +2,754 25,574 6,397 +126 6,178 +22 1,325 3,257 +11 \$72 +安 ACCEPTANCES OUTSTANDING. 5,218 375 -167 1,178 1,317 -61 ELIGIBLE LIABILITIES OUTSTANDING. 141,852 5.185 18,417





dedity October 14 City October 15

The state of the s

THE PARTY OF THE P

Option
\*First Declara-Oct 9 Oct 10 Oct 20 Oct 23 Oct 24 Nev 3 Oct 11

The good news on UK money supply proved in have been well nted in the London securities markets and it was left to other facinrs in provide tha impetus for another rise in share prices. Government boods moved np, helped by firmness in sterling ut could not austain their best levels, which were reached in tha waka of the money supply at 409p. at 409p. Compo

The equity market opened slowly but was led higher at mid-session by oil stocks when the decision by the United Arah Emirates to cut crude output seemed to increase the likelihood of success for the Opec ministerial telks now under way in Geneva. The also fed by rumours of a successful Iraqi hombing raid on the Kharg Island installations.

Kharg Island installations.

Japan's agreement to eliminate
tariffa oo cigarette imports
hrought good US demand for BAT odustries. But outside the oils and tohacco stocks, trading in equities remained disappoin-tiogly thin. It was left to a clutch of speculative and special situation stocks, often fuelled by activity in traded options, to provide the fea-

The morket closed off the top, by the close. The FT-SE 100 ended a net 13.4 higher at 1592.3, and the FT Ordinary Share Index 8.1 up at

A new name on the speculative takeover scena was RTZ, the base metals and industrial groop, which saw good husiness in both the share and traded options market. Some analysts suggested thot Robert Holmes a Court, the Australian entrepreneur, might be interested in RTZ, now that Mr Carl leahn has offered £5.57hn for USX, the formar US steel group in which Mr Holmes o Court has

Anothar feverish session in Grand Metropolitan aignalled tha market's convicton that a takeover move is planned, possibly by a consortium of interests.

A firm opening in gilt-edged analied the Government Broker to sell out two of his three new taplet atocks, the 10pc Conversion 1990 being taken out at 95% and tha 9pc Conversiao 2000 at 88%. demand, with one surce playing o

were extended in 34 of a point after tha money supply announcement hut were then quickly clip-ped os trading died away. At the close, shorts were ¼ in & up and longer dates as much as 1/2 better. The FT Government rose by 0.24 in 82.98.

#### Morgan Grenfell flat

Shares in Morgan Grenfell from last July's striking price of Sears subdued 500p came under renewed selling pressure in the wake of adverse comment on the interim results.

**EQUITY GROUPS** 

& SUB-SECTIONS

Electronics (38)

CONSUMER GROUP (185).

Office Equipment (4). 

FIXED INTEREST

+0.14

130.36 +0.47 129.75

151.75 +0.03 151.71

128.55 +0.35 | 128.10 |

+0.48 136.17

+0.11 111.68

+0.01 |111.60

118.36

111.61

Mga Oct 6

118.21

xd adj. today

0.02

0.01

<del>-</del>

xt adj. 1986 to date

9.43

10.20

10.05

8.90

10.00

2.00

2.53

243

7 High

Index-Linked
Inflat'n rate 5%
Inflat'n rate 5%
Inflat'n rate 10%
Inflat'n rate 10%

Merchant Banks (12)... Property (49).... Other Financial (24) ...

Banks (7)...

PRICE INDICES

1 |5 years...

2 5-15 years ....

3 Over 15 years...

Over 5 years...

5 ¦ Ali stocks ..

8 All stocks.

Browers and Distillers (22)
Food Manufacturing (24)
Food Retailing (16)
Health and Household Products (10)
Leisure (27)

### Better money supply figures sustain markets although

bonds and equities close below best Shipping presented several features. James Fisher support and improved 4 to 61p, John I. Jacobs moved up 3 to 67p and Milford

	Oct.	Oct.	Oct.	Oct.	Sept.	year	1986		Since Compilation	
	7	6	3	2	1	<b>3</b> 90	High	Low	High	Low
Government Secs	82.98	82.74	82.75	82.30	82.83	84.02	94.51  18/4	80.39 [20/1)	127,4 19/2/35)	49.18
Fixed interest	89.69	90.00	189.98	190.25	190.10	89,86	97.68 (7/7)	86.55 . (23/1)	105.4   28/11/47	50.53 13/2/15)
Ordinary 🛡	1,257.3	1,251.2	1,234.0	1,246.0	1,251.7	1,007,2	1,425.9 (34)	1,094.3	1,425.9	49.4
Gold Mines	329.4	316.2	328.6	317.2	321.5	289.2	357.8 122/9)	185.7 (1877)	734.7 115/2/83)	43.5 126/10/71
Ord, Div. Yield	4.42	4.44	4.49	4.45	4.43	4.72		S.E. AC	TIVITY	
Earnings Yid.%(full)	10.14	10.18	10.30	10.20	10.17	11.55	ln	lices	Oct. 6	0ct. 3
P/E Ratio (net) (*)	12.09	12.04	11.91	12.02	12.06	10,72	Gill Edged	Bargains	121.6	219.9
Total Bargairs (Est)	21,982	20,940	22,126	21,426	22,147	21,816	Equity Sare	ains	116.6	112.1 899.5
Equity Turnover £m	_	487.86	445.02	531.22	459.22	313.85	Equity Value 5-Day Aver	ė	986.1	899.5
Equity Bargains	_	18,004	17,306	18,749	17,729	19,270	Gilt Edged	Bárgains	135.1	131.8
Shares Traded (ml)		242.4	212.7	248.2	213.1	170.7	Equity Bary Equity Valu	pains	116.7 1045.8	115.8 1071.9
♥ Opening	10 a.m.	11	a.m.	Noon	ם ד	p.m.	2 p.m		p.m.	4 p.m

fits at the top-end of market esti-mates hut closed only 2½ up on balance at 114½p, after 116p. Storehouse rallied 10 more to 310p, after 313p. Elsewhere, Jewellers encountered occasional demand with Ratners 7 up at 218p ond Ernest Jones a similar amount to the good et 84p. USM-quoted Smallbone continued in respond to acquisition news with a gain of

Thurs Oct 2

2 dearer on balance at 610p, after 313p, while Bass settled 3 to the good at 690p, after 695p. Among relatively idle Regionals, Buckleys, the aubject of considerable takeover speculation of late, eased 4 to 116p following news that Mr Tony Cole's Bestwood has acquired a near-10 per cant stake. Business in the Building sector 3 more to 168p.

Cable and Wireless added 5 more to 309p making a two-day advance of 21 following the revelation that it is part of a consortinm exploring the possibili-ties of establishing an alternative international telecommunication Business in the Building sector mained at a relatively low ehh, hut leading issues managed further progress as interest rate worries abated. BPB Industries, system for Japan. STC reflected revived takeover hopes at 148p, up 4. while British Telecom also still reflecting a hroker's visit, rose 8 more to 451p, while RMC hardened 4 to 634p and Blue Cir-4, while British Telecom also gained 4 at 182p. Secondary Electricals featured Bowtherpe, 25 higher of 570p in reply to the better-than-expected interim ele improved 6 to 556p. Cestain revived with a gain of 10 at 516p better-than-expected interim results and Process Systems, 11 to and Barratt Developments firmed 4 to 144p. John Mowlem slipped 4 to 376p following further conthe good at 36p in belated response to the news of the agreeaideration of the interim results. ment with Westinghouse whareby PS will acquire the latter's MDA husiness for a total consideration hut Turriff continued to respond to the return to profitability and of \$7.5m cash. Sharply higher first-half earnings helped Miles 33 improve a few pence to 193p. optimistic statement with a fresh rise of 14 at 174p. Hewden-Stewart Plant added a peuny to 68p in reply to good interim figures, while renewed support left Heliwhila improvements of 8 and 8 respectively were seen in Eurotherm, 270p, and Microgen, 388p. Telephone Rentals, on tha other hand, fell to 170p before cal Bar 2 dearer at 310p. Timber issues continued in feature Mag-

net and Southerns, up 4 more at 186p. a two-day rise of 10. Chemicals displayed modest gains where changed. ICI edged up is more to £111/4 helped by currency influence. Laparte harclosing a few pence easiar on balance at 175p following the disappointing interim profits increase from £6.98m in £7.6m. Two outstanding firm features dened 3 in 373p and Allied Col-loids improved 4 to 220p. James Halstead, still refelecting the Increased profits and dividend, emerged among secondary Engineerings. Booth Industries encountered further aggressive buying in a thin market following an investment recommendation and leapt 45 more to 148p, a move which prompted the chairman in say that he is not aware of any development in cause the suddan

653.84 748.56 1133.33 1692.99 1424.23

360.14 326.38 269.56 1224.89

913.49 915.46 691.11 1902.83 1506.86 905.15 2541.08 452.31 837.92 518.71 1260.09 755.00 986.69 236.26

230.20 1433.25 736.40 1048.40

recovery a stage further, hut rise in the share price. Tyzack finished below the day's best Turner advanced to 80p before levels. Sears revealed interim pro-

FT-ACTUARIES INDICES

Tuesday October 7 1986

Gross Div. Yield% (ACT at 29%)

Est. P/E Ratile (Net)

9.64 10.27 10.27 11.17 10.64 10.27 11.27

10.37 10.04

4.63 3.72 3.39 3.57

Over 5 yrs... 5 yrs...

9.82 10.88 10.89 10.67 10.41 10.07 10.75 10.54 10.20 9.73

0.0

0.0 0.0

9.64 10.32 10.33 11.26 10.70 10.30 11.37 10.92 10.41 10.04

3.72 3.34 3.57

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

9.37 9.69 8.57 9.93 10.96 9.59 7.38 9.59 7.43 6.14 5.66 8.25 7.43 6.97 8.43 11.64 6.57

-0.2 +0.8 +1.1 +1.4 +1.4 +0.2 +0.6 +0.5 +0.1 +0.7 -0.2 +0.2 +0.7

end another depressed session 20 down at a new low of 380p. Klein-wort Benson, at 470p, and Mercury International, at 295p, lacked sup-

port and eased 5 apiece, but Brown Shipley, in which Krediet-bank S.A. Luxembourgeoise holds

8 25.5 per cent stake, improved 5

at 513p. Narrow mixed price movements were the ordar of the

day among the clearers which

failed to experience any increase

in trada ahead of Friday's flota-tion of the TSB. Midland hardened

s couple of pence to 539p, hnt Lloyds relinquished a few penca

Composites took Monday's

Pereunial takeover

recovery a stage further, but tha volume of trade left a lot in be

fewourite Commercial Union moved up 5 ot 277p and Royals gained 7 at 779p. Lloyds broker C.

E. Heath firmed 5 to 449p following the announcement that talks

are in progress which could lead

ding Insurance, o reinsurance and insurance broker mainly based in London, which achieved pre-tax profits of £4.3m in 1985, a 25 per

cent increase over 1984.

Chamlcal group Mariborough

Technical Management staged a satisfactory market dehut; the shares, offered at 110p, opened at

119p and moved forward to 122p a first-day premium of 12.

inna across the board, although the leaders failed to maintain best

levels. Allied-Lloyds finished only 2 dearer on balance at 610p, after

Breweries displayed a firmer

to the group's acquisition of Fle

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026 received offers to sell thair respective shareholdings of 20.24 and 11.82 per cent in TT. Elsewhere. WA improved a couple of pence to 35p on speculative sup-port and Molins, in which Mr Ron Brieriy's IEP Securities holds a were sold down to 400p before sizeable stake, firmed 8 afresh at rallying to close o net 15 easier at

> Biscuits attracted support follow-ing a broker's lunch and touched speculative damand, while Meat hardened 5 to 265p following tha

nterim results. Grand Metropolitan were again among the day's most actively traded stocks and rose 10 more to 443p, after 446p, amid mounting takeover speculation and another heavy traded option husiness. Ladbreke found support at 351p, np 6, and Trustheuse Forte har-dened a comple of pence to 155p.

#### Wedgwood below best

Wedgwood were a strong feature
among miscellaneous industrials,
rising in 435p at one stage before
closing 27 higher at 423p on the
revelation that the board had
received another hid approach,
rumoured to ha from Waterford
Glass; an earlier hid for the company mada by London International was referred to the Monopolies Commission. Elsewhere, Falcon Industries gained 5 to 44p

336p and Norten Opax 1 to 135p.
With
Trice
ing a
may
First
revelation that the board had
received another hid approach,
rumoured to ha from Waterford
louising interest. Recently-overlooked Sleugh Estates revived
by busin
Polly
recov
158p,
218p.

180 200 220

C.E.C. (\*170)

Land Sec 1\*307)

Marks & Spen (\*195)

Gainness 1+316)

16 37 110

22 11 4

98 70 47

140 107 70 43 155 123 88 58

Nov. Feb. May 65 83 95 35 53 67 12 32 45

38 18 7

55 27 11 3 40 18 10 30 23 47 27 14

following news of the sale of its garden tool interests, speculative huying in a thin market lifted Bedyests 15 to 340p and Alexandra Werkwear the same amount to 315p, while Evered moved up 6 at 216p. Profit-taking clipped 6 from the recently huoyant British Acrespace, at 470p, and Bestwood 188p. Stothert and Pitt, however, lost 10 more to 143p on further consideration of the increased half-year deficit.

\*\*Record shares recorded several characteristics of the company said that it would not welcome any further increase in Hutchison Whampoa's contractive standing at 4.9 per

ing a broker's lunch and touched
232p prior to closing a net 7 up at
222p; the warrants moved np 8 to
90p. Northern Foods were in
demand ahead of an analysts' warning from Austin Rover that it
meeting end firmed 6 to 282p,
whila Kwik Save gained 10 to 253p
on re-rating suggestions. Bejam, 3
better at 153p, reflected revived
483p. The scena elsewhare was
speculative damand, while Meat a more cheerful with Lex Service 493p. The scena elsewhare was more cheerful with Lex Service Trade Suppliers advanced 10 to again in damand, and rising 8 to 130p in o restricted market on 322p. Jaguar encountered early takeover hopes. Cliffords Dairies profit-taking and slipped back to hardened 5 to 265p following tha

the day at 541p.
DRG responded strongly to news costs saving, which will lead to capital re-investment in its car-inns husiness, and touched 272p before easing with the late trend to end a net 6 higher at 268p. Awaiting fresh developments in the current complex situation, McCorquedale reacted 6 to 270p, BPCC, eased to 260p. Extel lost 4 to 336p and Norten Opax 1 to 135p.
USM-listed Michael Peters, which had performed drably ahead of Monday's lower annual results, ran into demand and pushed for-

**LONDON TRADED OPTIONS** 

Oct. Jan. Apr. Oct. Jan. Apr.

1 1 6523

1 6 25

01<sub>2</sub> 51<sub>2</sub> 22 45

4 558 25 32

01<sub>2</sub> 01<sub>2</sub> 5

Nov Feb May 3 10 15 13 20 25 35 40 45

15 27

Two stocks shared most of tha Polly Peck extended the recent recovery, gaining 6 further to 158p, while Lourne put on 4 to

Tr. 111/% 1991 (\*£102)

Tr.11%% 03/07 (%109)

BTR (\*298)

Bass (\*695)

Blue Circle 1=556)

De Beers (\*57,20)

Tesco 1'393)

Docks were a similar amount dearer at 44p. Turnbull and Scott were raised 10 in 380p.

British Land 3 dearer at 155p. Lon-

don and Edinburgh touched 6950

on the excellant interim results

before drifting back to close unchanged at 665p. Imry, in

receipt of a hid approach from an

unnamed party, moved up 15 to 375p awaiting developments. Mar-

ler Estates, in which Glan International holds a sizeable stake, rose 20 to 525p. Monday's star performer Gilbert House, which soared over 40 points to 61p

as control of the company passed to Mr Nigel Wray, eased initially to 58p on profit-taking before

fresh support left the close

higher on balance ot 64p. Shield Group found support and rose 13 to 188p, while Parkdale firmed 2 to

77p. Salected Textiles continued to

Exco, which gained 6 more to 243p

Tha development releases Tan Sri Khoo Teck Pust of Malaysia from

the agreement to limit his interest in Exco to 29.9 per cent. Else-

where, Harvey and Thompson advanced 10 to 225p and Frost group added 4 at 94p.

The oil majors were quick to respond to reports that the Uulted Arah Emirates oil minister

expected the Opec meeting cur-rently in progress in Geneva to reach a recision which could see

reach a recision which could see crude prices rise to \$20 a barrel. Although a shada below the best at tha close, BP were still 6 higher on the day at 691p and Sheil 5 dearer at 913p. Ultramar were

finally 3 up at 161p, after 163p and LASMO 5 higher at 125p, after 128p, Britell were a particularly

prior to closing a net 6 up at 133p, while Enterprise gained 6 to 144p. Takeover favourite IC Gas revived

with a gain of 8 at 491p and Tricentrel added 3 to 54p follow-ing auggestions that the company

may welcoma a hid. Elsewhere Firstland Oil and Gas shed 4 to 40;

following the annual results and

723

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Oils move ahead

Mining markets enjoyed an active session in London as hullion's early strength-the metal conched \$444.25 at one stage nimulated widespread and inthusiastic demand for Golds and related issues. Australian Golds proved to be

najor beneficiaries as institu

ional investors, still hesistant to commit further funds to South Africs in the light of the current political situation, directed fresh ttention in "down-under" couners. Leading stocks were heavily upported in hoth overnight lomestic markets and in London "Call" option business lifted Salected Textiles continued to surli 7 to 70p, and Kia Ora o frac-benefit from trading statements. ion to 94p, the latter was addi-Lament improved 2 to 165p after ionally aided by the annual

increased first-half profits and the chairman's confidant view of eport and proposed consolidaion of shares.

Major resource stocks met with sympathetic interest, which lifted North Breken Hill 11 to 127p, and tha full-year outcome, while S. Jerome rose 5 furthar to 97p still mirroring Monday's good interim sults and statement. Sirdar were

bought and closed 5 np at 148p.

Removal of the Japanese tariff on cigarette Inports inspired persistent demand for Bats which rose 10 to 453p, after 455p. Rethmans were also influenced by fresh speculation of an impanding Canadian deal and settled 5 higher at 153p. Confirmation that First City Financial, the Canedian group controlled by members of the Belzberg family, had increased its share stake to 10.45 per cent aroused considerable interest in around 3 points.

#### **Traded Options**

Traded Option activity centred, rather unusually, on mining finance houses Rio Tinto-Zine and Consolidated Gold Fields which attracted 2,259 and 1,094 calls respectively. Grand Metropolitan, apported recently amid fresh talk of stake-building exercises, attracted another 2,000 calls and 261 puts. Dealers also reported e lively demand for positions in Boots. Courtanids and Cable and Wireless. The FT-SE 100 contrihuted 1,769 calls and 1,055 puts. Total transacted contracts

#### **Traditional Options**

- First dealings
- Last dealings Oct 17 Oct 31 Nov 14
- Last declaration Jan 8 Jan 22 Feb 5
- Jan 19 Feb 2 Feb 16

For rate indications see end of Unit Trust Service

Stocks favoured for the call included Equity and General, Guinness Peat, Polly Peck, North Kalgarli, Palma, Stormgard, Peek, Milford Docks, Kia Ora, J. E. England, Jones Mining, Transport E. England, Jones Mining, Transcea And St. South African Golds got off to a huoyant start following support from the Cope which consequently prompted interest from the Continant. Quotations eased a shade later in the day reflecting US advices and a firmer dollar, but in sterling terms, that heavyweights showed some substantial gains. Vali Reefs, £80, and Randfontein, £72, both put on around 3 points.

E. England, Jones Mining, Transwood, Courcy, Brooke Tool, Moonie Oil, Energy Capital, Sound Diffusion. Bristol Oil and Minerals, Ecobric, Common Brothers, Berkeley and Hay Bill, Cluff, Abaco Investments, Apricot Computers, Cronite, Robel International Morgan Grenfeli and Ivanhoe Gold. A put was done in Courcy, while doubles were taken out in Equity and General and Raine Industries.

YESTERDAY'S ACTIVE STOCKS charg +10 + 8 + 5 +10 - 6 MONDAY'S ACTIVE STOCKS 161 547 241 195 792 300 RISES AND FALLS YESTERDAY

British Funds Corporations, Dom., and Foreign Bonds Industrials 1,515 Totals

**NEW HIGHS AND LOWS FOR 1986** 

MEW HIGHS (102)

BRATISH FURBS (1), AMERICANS (3), CAHA.

MOOR, MOORIN Geriell, BREWERS (1) Irid DisDIAMS (7), BARMS (2), BREWERS (1), CHEMS.

CALS (2), STOMES (1), ELECTRICALS (1), & PILL FIBDS (1) Bodey, INDISTRIALS (8)

ENGINEERING (3), FOODS (2), MOTERS (1), & PILL FIDDS (1) Bodey, INDISTRIALS (3), HIGHSTRIALS (1), TEISHRE (1), MOTORS (1), item, Ropers, Do A, Stap Ferniture, LEISURE (1), PILL FIB. (1), IMPES (2), IMPERS (1), PLANTATIMES (1), MINES (3),

PROPERTY (3), TEXTILES (1), PLANTATIMES (1), MINES (3),

PROPERTY (2), CONTROL MOORING (3), MOORING (4), MOORING (4), MOORING (4), MOORING (4), MOORING (5), STRIPPING (1), MOORING (5), STRIPPING (1), MOORING (5), STRIPPING (1), MOORING (6), MOORING (6)

**EUROPEAN OPTIONS EXCHANGE** 24 152 38 152 19 50 42B 25B 316A 9 4.90 0.50 52A 38.50 29 17 12 68 78 112 11 | 3 2 220 1 — 6 12:50 9:20A 5:80 3:30 1:20 — 010 2:605 4:30 7 FL226.22 6.50 4.40 3.30 2 1.20 5.30 7.50 9.20 胨 FI.93.80 FL97.50 FI147.90

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ABIN C AB 19925377076678 | 5729451364485 | 50 | 69379 FL226 F1.45.80 FL171.50 4.50A 4.50A 4.50 5.20 3.70 3.80 3.50A 6.20 7 4.80 99 11.90 FI.59.80 6.50A 16.50 5.50 5.78 11.70 6.20 FI\_175 150 150 165 111 F1,81 FL54.70 F1.203.70 TOTAL VOLUME IN CONTRACTS: 31,276

#### 8 - Bid C=CaR

**BASE LENDING RATES**  Morgan Grentell ......

Mot Credit Corp. Ltd.....

Nat Bk. of Kowant .......

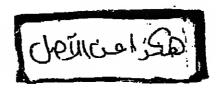
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Northern Bank Ltd......
Morwich Gen. Trust..... Agriencas Exp. Blr... Ager Bank
Henry Anshacher
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Associates Cap Corp.....
Banco de Bribao Cypros Popular 8k ...... Duncan Lawrie ...... E. T. Trust Royal Tsi Co Canada ...... 10 Standard Charteres ...... 10 Bank Credii & Comm ..... Bank of Cyprus ........ Standard Charteres .... 10
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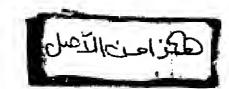
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Opening index 157	.6; 10 am 1	79.2; 11	am 1581.	O; Noon I	1591.3; 1	pm <b>1593.3</b> ; 2 pm	1593.8; 3 pm 1596.1;	3.30 pm	1594.5; 4	am 1593.8.





### WORLD STOCK MARKETS

1	WUKLD STU	CK MARKETS
	AUSTRIA  GERMANY  NORWAY  AUSTRALIA (continued)  Price + or Oct. 7	CANADA
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	Lashdarbank   2,840   -10   Bayer-Hypo   607   +11,5   Kosmos   147,5   +0,5   Rid Austrial Equity   7,55   +0,1   Missukoshi   1,000   -16   Sayer-Veraln   540   +5   Saye	Closing prices October 7  Closing prices October 7  Self Self Self Self Self Self Self Self
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-	Midl (Cle)   148   Max Med Cert   15.1   15.2   15.2   15.2   15.2   15.3   15.	Dct 3   Sept 10   Sept 12   Year Age (Appena)   CAC Garrieral ((51/12/82)   267.2   288.8   584.90   386.5   412.5 (1/61   287.8 (2/1)   164 Div Yield Qis   3.88   3.87   4.84   GERMANY   GERMANY   GERMANY   CAC Garrieral ((51/12/82)   267.2   288.8   584.90   386.5   412.5 (1/61   287.8 (2/1)   161.5 (2/1)
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	NOTES — Prices on this page are as quoted on the individual exchanges and are less traded prices. S Deslings suspended at Ex dividend, as Ex scrip issue, at Ex rights, as Ex all, * Price in Kroner.    Claremont Pat.   1.00   ClareMyer	Incl. Aft. Files     3.08     3.15     2.98     3.88       Incl. Aft. Files     16.58     16.58     17.78     12.13     HORWAY       Long Gov Band Yield     ~     7.63     7.48     18.61     Onlo 3E (4/1/85)     370.18     376.76     577.71     378.53     402.91 (18/1)     551.81 (4/8)
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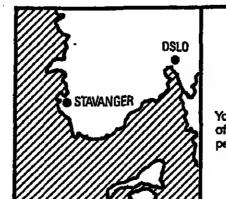
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### NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Financial Times Wednesday October 8 1986 Ø

### NYSE COMPOSITE CLOSING PRICES

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### FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

### **Easier trend** as economic fears remain

FURTHER FLUCTUATIONS in the dollar and doubts over the direction of the US economy left Wall Street stock and bond markets edging lower in quiet trading, writes Roderick Oram in New York.

Co-ordinated European central bank intervention belped to support the dollar but bond markets were unsettled by the currency's performance, causing prices to slip by up to one third of a point as foreign investors worried about the value of their portfolios.

Stock market activity picked up from near the lowest levels of the year experienced on Monday but prices were essentially static.

The Dow Jones industrial average of 30 blue chip shares closed unchanged at 1,784.45 while the New York Stock Exchange composite index eased down 0.18 points to 135.14. NYSE volume was 125.1m with declining shares outnumbering rising by 790 to 714.

The Dow Jones Transportation Index

one of the market's recent sources of firmness, fell 4.12 points to 818.13 although it remains within 13 points of its peak set in March.

A key influence for the broad market

FT-Actuaries

1983

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234.41 234.78

1,257.3 1,251.2

822.25

777.75

316.2

10.41

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1.329.4 1.310.8 1.017.0

3,872.00 3,867.75 2,525.85

2,163.3 2,174.5 1,867 3,024.2 3,016.0 2,650.2

1,520.94 1,517.82 128.82

387.2 386.60 205.0

674.51 673.33 545.31

2,162.76 2,084.93 1,617.76

739.49 746.39 411.13

370.18 376.75 373.65

821.78 819.51 763.59

1,991.0 1,381.0

2,415.95 2,488.14 1,375.35

557.10 551.60 476.4

342.7 341.9 223.1

Oct 7

£947.5

\$14.25

\$437.50

\$434.68

\$441.75

\$444.80

398.35p 398.75p

£2,370.00 £2,305.00

Oct 7 Prev \$437.50 \$438.00

2946.00

\$13.75

\$437.67

\$434.66

\$436.00

200.38 202.57

Oct 6

COMMODITIES

GOLD (per ounce)

Prev Year Ago

· 1,049.8 971.6

85.54

185.5

280.00 277.60

151.30 151.20

Commerzbank 2,019.30 2,016.40 1,604.8

n/a 189.29 225.90

718.0 694.3

239.69 234.48

STOCK MARKET INDICES

1.592.3

683.65

861.52

10.37

1984

642.32

154.08

1,007.2

633.53

694.92

10.18

530.5

n/a

1,578.9 1,306.9

800

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELOTUN

CANADA

Metals & Mins.

Credit Aktien

Belgian SE

**Ricotroni** Portfolio

FRANCE

Ind. Tendence

WEST GERMANY

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm.

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Golds JSE Industrial

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Sliver (spot fixing)

Copper (cash)

Coffee (Nov)

Qii (Brent blend)

SWEDEN

WORLD

(London)

London

Paris (fixing)

New York (Dec)

Zürich

ITALY

Metals & Minis

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gift

DJ Industrials

S&P Composite

KEY MARKET MONITORS

was the poor performance of IBM after good gains on Monday. It was off \$5% at \$128% after analysts learned in a meeting with the company yesterday that its overseas results were going to be weak-

er than they had expected.

On the positive side, IBM announced a new computer architecture which could challenge the products of Digital Equipment whose shares fell \$1% to \$90%. Other technology stocks were also weak. Intel was off \$% at \$18%, Honeywell fell \$% to \$69% and NCR eased \$1%

In the over-the-counter market Mirrosoft, a leading computer software company, rose \$% to \$31% on news of first quarter earnings of 55 cents a share against 26 cents a year earlier.

USX was the most active issue rising \$1% to \$27% following the \$31 a share bid on Monday from Mr Carl Icahn. The energy and steel group said it would re-spond to the offer at "the appropriate time." The \$8bn takeover would be the

third largest in US corporate history.

BankAmerica, holding company for the second biggest US bank, surged \$2% to \$14% on heavy volume after it rejected the takeover offer from First Interstate Bancorp consisting of a share swap worth about \$18 a share. First's shares fell \$1% to \$52%.

Viacom rose \$1 to \$43%. Its outside directors rejected a revised buyout propos-al by a group of investors including se-nior Viacom management worth \$44 a share against a first offer of \$42.50. A number of other investors have taken stakes in the company since the buyout

Goodyear soared \$3 to \$36% on trading

1900

1800

1300

1250

1200

1150

STERLING

1.4390 2.8625

221.5

9.3825

1,981.5

59.45 1.9930

10%

4%s 9%

51%e 151%e

51%s 5.50 5.04

6.12

7.05

7.28

Day's change

+.02

+.01

+.02

+.05

Yield

6.68

8.15

Prev

91% 6,404

107% 9.363

99 6.153

102 8,435

90% 9.053

Oct 7 Powdow

10.79%

220%

9.38%

2.33%

1.981

59.40 1.9860

Oct 7

4% 9%

5% 5% 5%

Yield Price

1001/2 6.136 1001/2

961%z 7.563 963%z

1002% 7.073 101

Day's change

-0.23

-0.08

-0.01

-0.09

-0.74

October 7

91% 6.444

107% 8.353

99 8.153

102 8.435

90 8.107

9% March 2018 97% 9.504 98% 9.552

**FINANCIAL FUTURES** 

Latest High

N/B

Yield calculated on a semi-ennual basis

US Treasury Bonds (CBT)

US Treesury Silis (MMI)

Certificates of Deposit (IRM)

106 9.275 106% 9.228

96-22 97-08 96-15 97-08

95.06 95.08 95.02 95.06

94.22 94.26 94.20 94.23

110-25 112-4 100-8 110-18

1986 Oct

1986

154.10

1.6290

1,382.25

41.45 1.3865

3-month US\$ 6-month US\$

(3-month offered rate)

FFY

US Fed Funds US3-month CDs US3-month T-bills

1993

7% 2018

1-10

AT & TA

3% July 1990

8 April 1996

10% Jan 1993

8% March 1996

9% March 2018

General Motors

81/4 April 2018

CHICAGO

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

20-year Notional Gift

250,000 32nds of 100%

LONDON

7%

(offered rate)

US DOLLAR

1.9900

154.06

6.52

1.6200

1.377

41.30 1.3855

INTEREST RATES

US BONDS

Price

Source: Harris Trust Savings Bank

149.97

140.69

152.64

181.54

Source: Merrill Lynch

SCBT South Central

Oct 7 Previous

1985

SFr

BFr C\$

of 1.6m shares on takeover speculation. The company said it knew no reason for the trading activity.

Tobacco stocks continued strong for a second day as analysts worked out the profit potential from the Japanese market following Tokyo's decision to aban-don import tariffs on cigarettes. Philip Morris was up \$1% at \$69% and RJR Nabisco rose \$1% to \$50%.

In credit markets some uncertainty was created by the monthly report from purchasing managers released on Monday. It indicated somewhat stronger domestic demand than shown by the marginal increase in September's employ-ment levels, published last Friday.

Some concern was expressed by bullish traders that the market was failing to move higher on good news, leaving them worried about its potential to over

react to bad news.

The price of the benchmark 7.25 per cent Treasury long bond due 2018 opened fractionally higher but slipped closing down 1/10 of a point at 96% at which it yielded 7.53 per cent. Most oth-

er bonds posted small price gains. Treasury bills were mixed with the three month bill off two basis points at 5.04 per cent, six month bills were off five basis points at 5.06 per cent while year bills were up unchanged at 5.25 per

Certificate of deposit rates ranged from off two basis points at 5.65 per cent at the short end to unchanged at 5.60 per cent at the longer end.

LONDON

### Opec output move adds to upturn

UK MONEY SUPPLY data proved to have been well discounted in London and it was left to other factors to provide the impetus for another rise in share

The equity market opened slowly but was led higher at mid-session by oil stocks when the decision by the United Arab Emirates to cut crude output seemed to increase the likelihood of success for the Opec ministerial talks now under way in Geneva. At the end, the FT Ordinary index was 8.1 higher at 1257.3. Gains in government bonds were ex-

tended to % after the money supply announcement but were then quickly clipped as trading died away.

Chief price changes, Page 37; Details, Page 36; Share information service, Pages 34-35.

#### **AUSTRALIA**

A FOURTH consecutive record high was set in Sydney with trading dominated by heavy trading in gold shares, which posted sharp gains in response to firm-

ing world bullion prices.

At the close, the All Ordinaries index was up 18.6 at a high of 1,329.4, while the gold index registered a 100.6 advance to a peak of 1,693.9. The index has risen almost 250 points so far this month.

Central Norseman led the bullion issues, rising 70 cents to A\$18.70. Gold Mines of Kalgoorlie climbed 60 cents to A\$15.50, Emperor 84 cents to a record A\$6.80 and Poseidon 30 cents to A\$4.60. Among actively traded issues, BHP added 10 cents to A\$8.66,

#### SINGAPORE

PROFIT-TAKING undermined a strong start in Singapore leaving only some blue chip issues to register gains in the wake of institutional buying. The Straits Times industrial index ad-

vanced just 2.27 to 821.78 as a reflection of the steady tone but some Malaysian issues lost ground on continued worries about the financial and corporate sector. Among the banks, OCBC added 10 cents to S\$8.20, UOB 12 cents to S\$4.28 and OUB 2 cents to S\$3.12.

SIA and Fraser and Neave each climb-ed 5 cents to S\$7.85 and S\$8.50 respectively, while Singapore Land managed a 10 cent advance to \$\$5.10.

#### **SOUTH AFRICA**

GOLD SHARES were mostly higher in Johannesburg in fairly active local demand but some gains were trimmed by a retreat in the bullion price below \$440 an

Vaal Reefs put on R10 to R398, while Doornfontein and Venters each gained R2 to R55.50 and R41, respectively.

Platinums, diamonds and mining financials shadowed the trend with Rustenburg Platinum and De Beers each 25 cents ahead at R53.50 and R33, respectively. Gold Fields rose R1.25 to R61.25 after its latest quarterly results. Industrials were mixed.

#### CANADA

C\$¼ to C\$19¼.

MOST MAJOR share groups marked time in active but directionless Toronto trading although oils turned higher in reaction to developments at the Opec meeting in Geneva.

Imperial Oil climbed C\$1% to C\$45%, while Texaco Canada added CS1/2 to C\$28% and Dome Petroleum 3 cents to Among the actives, Continental Bank

of Canada put on a further C\$1/4 to C\$16. The stock rose C5% on Monday as it resumed trading after suspension. Elsewhere in the sector, Bank of Montreal was C5% ahead at C533% and Cana-

dian Imperial Bank of Commerce firmed

### \$ support brightens the mood

CENTRAL BANK support for the dollar and the overnight rise on Wall Street provided a more positive background to trading in Europe yesterday.

Many investors remained cautious

and no clear trend emerged from, at best, only moderately active sessions. Frankfurt regained some buoyancy and shares closed generally higher, with

the Commerzbank index rising 2.9 points to 2,019.3. Analysts were split on whether the central banks' intervention to support the dollar had much impact, and some took the view that export-oriented shares no longer paid much attention to

Late buying interest in the banking sector took Deutsche Bank DM 13 high-er to DM 802 and Dresdner DM 8 to DM

the movements of the currency at its

Among electricals, Siemens was again firmer, adding DM 16.50 to DM 718.50, and AEG, which had its turnover growth hit by the dollars decline, advanced DM 7.90 to DM 327.

Engineers and chemicals were firmer, but vehicle makers were mixed, with Daimer up DM 19 to DM 1,270, BMW un-changed at DM 625 and VW down DM 4.50 to DM 483.50. VW's preference shares, the remainder of which were offered to the public on Monday at DM 450, lost DM 450 to trade at the offer

Bonds had a dull session, with most losing about 20 pfg but long maturities dropping by up to 30 pfg.

Business was mostly between banks. The Bundesbank bought DM 12.8m worth of paper after selling DM 100.1m on Monday.

Amsterdam took its early lead from

the firmer tone in Frankfurt and from New York's overnight gains, moving moderately higher in a quiet session before easing slightly

International and financial stocks performed well, boosted by the improvement in the dollar, Among them, Unilever gained Fl 4 to Fl 476 and Royal Dutch rose Fl 3.30 to Fl 203.7.

Océ-Van der Grinten, the copier group, added F12 to F1530 after announ-

cing higher third quarter profits.

Zurich was spurred by enthusiasm over a cut in short-term interest rates and the firmer dollar. Share prices closed higher across the board and blue chip gainers included Oerlikon-Bührle, up SFr 40 at SFr 1,470, and Hoffmann-La Roche, which added SFr 175 to SFr 11.400.

Commercial banks, whose total net profits jumped in 1985, were also all firmer.

Brussels had a quiet session with most blue chips ending steady or nar-rowly mixed. Much attention focused on Petrofina, which advanced BFr 40 to

But Vieille Montagne continued to fall following news of its first half loss, ending BFr 290 down at BFr 5,510 for a twoday drop of BFr 480.

Paris saw only selective buying interest in very thin trading which left prices

Construction stocks were among the losers, with Bouygues easing FFr 44 to FFr 1.380. Gainers included Moët-Hen-

nessy, up FFr 208 at FFr 2,228. Milan moved lower on profit-taking which saw Montedison lose some of Monday's gains, easing L45 to L3,605. Fi-at continued to fall, ending L320 down at

Stockholm again ignored the public sector strike and rose in heavy trading to a new all-time high, with the Veckans Affarer all-share index reaching 903.8

from Monday's 897.3. Oslo was weaker and Norsk Hydro dropped NKr 14 to NKr 134 on continued reaction to its expectation of weaker profits. Madrid turned lower on proft-

#### **HONG KONG**

HEFTY FOREIGN DEMAND and local speculation of corporate asset sales' spurred a rebound in Hong Kong after Monday's slide.

The Hang Seng index rose 77.83 to a record 2,162.78 - the largest single day gain for 16 months. Turnover was a healthy HK\$1.03bn compared with the previous HK\$905m.

Blue chips were again in demand and by midday, prices had recouped the losses of the previous session. Hutchison Whampon rose HK\$2.25 to

HK\$38.25, Cherng Kong HK\$1.90 to HK\$29.60, Jardine Matheson 50 cents to HK\$17.30 and Hongkong Land 20 cents

to HK\$7.30.
China Light gained 70 cents to HK\$19.30 and Hongkong Electric 30 cents to HK\$10.40. China Gas rose 60 cents to HK\$19.20 on speculation that a takeover might be launched by the Evergo and Chinese Estates group.

TOKYO

### Blue chips are back in demand

A WIDE VARIETY of blue chip stocks were in demand in generally thin trading on the Tokyo stock exchange, sharply pushing up the Nikkei market average, writes Shigeo Nishiwaki of Jiji

Some of the lift was the result of the start today of a Y100bn stock investment trust by Daiwa Investment Trust and Management of which Y50bn will be invested in stocks. However, institutional investors generally shied away form trading and leading brokerage houses said the market still lacked the energy

for full-fledged recovery.

The market index rallied 169.03 to 17,604.36 on volume totalling 366.54m compared with Monday's 253.81m. Gains outpaced losses 450 to 361, with 115 is-

sues unchanged. Hitachi topped the active list amid small-lot buying by investment trusts with 31.32m shares changing hands. It spurted Y60 to Y1,100. Toshiba added Y22 to Y758, NEC Y40 to Y2,280 and Mitsubushi Electric Y14 to Y545.

Fuji Photo Film hit an all-time high of Y3,120, a rise of Y230. Its previous record was Y3,040 registered on June 26. Sumitomo Electric Industries climbed Y60 to Y1,830 and Lion Y110 to Y1,450.

Renewed interest was shown in three issues related to the Tokyo Bay area redevelopment project. Ishikawajima-Harima Heavy Industries rose Y31 to Y597, while Nippon Kokan rose Y9 to

Y306 and Tokyo Gas Y70 to Y1,090. Tohoku Electric Power rose Y200 to In the government bond futures market, a leading securities house actively

bought December contracts and the price advanced Y0.13 to Y103.62, topping Y103.58, which was generally considered a ceiling for the time being. At this price, massive profit-taking selling set in, pushing the price down to Y103.13, down

The drop in the futures market dampened the cash market. The yield on the hellwether 6.2 per cent government bond due in July 1995 fell to 4.695 per cent in the morning, but closed higher at 4.740 per cent, compared with Monday's 4.720 per cent.

### THE SUPER 330,530,000 DM offer!

Don't miss our new-greatly improved-SUDDEUTSCHE KLASSEMLOTTERIE-the 80th series that gives you the golden opportunity to win more. In fact there are bigger, better and more prizes than ever before. Well over 388,990 guaranteed prizes with a total value of 330,530,000 DM will be raffled out of a mere 800,000 ticket numbers.

There will be 26 draws during the course of the series with the following total of guaranteed Top Prizes: 20× 250,000 DM, 10× 500,000 DM, 4× 750,000 DM, 4× 1,000,000 DM, 3× 1,500,000 DM and 3× 2,000,000 DM. And another 368,950 prizes ranging up to 100,000 DM complete our super offer. You will also find, that at the time when numbers are drawn and eliminated, the prizes are much larger than the actual

#### Making many happy winners is our business

... and opportunities in the SKL are really super. With a limited supply of only 800,000 ticket numbers, we guarantee that 388,994 prizes totalling well over 330 million DM will be raffled. This means: nearly every second number is a winner in the game, which creates the mathematical probability to win by perticipating with at least-three tickets with different numbers. One complete lottery (series), extending over a 6 month period, is divided into 6 classes. Each check class has A draws from every Saturday) single class has 4 draws (one every Saturday) except the 6th (main) class which has 6 drawing days running over a period of five weeks. The total of winning numbers and the value of prizes increase from class to class up to the last three draws of the series when three prizes of

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Each and every winner is informed. You will not only be sent the official winning lists along with the renewal tickets every four weeks, but we'll also notify you personally and in strictest confi-dence immediately whenever you win. As all our clients' records are kept solely in our office and under professional secrecy, nobody else will know about your participation in the lottery or possible winnings. All prizes are immediately paid out in full, free from German tax and according to your advice. All payments are made in any currency and to any address or person of your choice. Our service is worldwide - when there are postal facilities you can play our lottery and get your prize money.

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Million DM = 6,000,000 DM3× 1.5 Million DM = 4,500,000 DMMillion DM = 4.000,000 DM 4× 1

 $10 \times 500,000 \, \text{DM} = 5,000,000 \, \text{DM}$ 20× 250,000 DM = 5,000,000 DM 32× 100,000 DM = 3,200,000 DM 22× 80,000 DM = 1,760,000 DM 388,192 prizes under 10,000 DM = 286,400,000 DM

4× 750,000 DM = 3,000,000 DM 1 26× 60,000 DM = 1,560,000 DM 30× 50,000 DM = 1,500,000 DM 34× 40,000 DM = 1,360,000 DM  $74 \times 25,000 \, \text{DM} = 1,850,000 \, \text{DM}$ 540× 10,000 DM = 5,400,000 DM

388,994 PRIZES AT A TOTAL AMOUNT OF 330,530,000 DM

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